

Universal Service Monitoring Report

CC Docket No. 96-45 WC Docket No. 02-6 WC Docket No. 06-122 WC Docket No. 10-90 WC Docket No. 11-42 WC Docket No. 13-184 WC Docket No. 14-58

2019

(Data Received Through September 2019)

Prepared by Federal and State Staff for the Federal-State Joint Board on Universal Service

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Universal Service Monitoring Report 2019

Introduction and Summary

This is the twenty-second report in a series prepared by federal and state staff members for the Federal – State Joint Board on Universal Service (Universal Service Joint Board). Unless otherwise noted, this report is generally based on information available to us as of September 2019. This report focuses on monitoring the impact of various universal service support mechanisms and the method used to finance them. This report is part of a monitoring program created by the Federal Communications Commission in 1997.

The *Monitoring Report* incorporates data from several sources, including the National Exchange Carrier Association (NECA) and the Universal Service Administrative Company (USAC). USAC collects information from both contributions to, and beneficiaries of, the Universal Service Fund, including incumbent local exchange carriers (ILECs), competitive eligible telecommunications carriers (competitive ETCs), schools, libraries and health care providers. NECA, at the direction of the Commission, provides information to USAC used to administer certain aspects of the high-cost program.

Section 1 of the report provides an update on industry revenues, universal service program funding requirements, and contribution factors. Sections 2 through 5 provide the latest data on the low-income, high-cost, schools and libraries, and rural health care support mechanisms. Section 6 presents recent Census and Bureau of Labor Statistics data on voice telephony subscribership and expenses taken from the Current Population Survey, the American Community Survey and the Consumer Expenditure Survey as well as data on telephone subscribership by income by state. It also includes data on residential Internet subscribership and expenses. Section 7 includes updated Consumer Price Index data.

This entire report is available electronically in page image (.pdf) format through the FCC's Federal-State Joint Board Monitoring Reports website, located at http://www.fcc.gov/encyclopedia/federal-state-joint-board-monitoring-reports. The tables of the report are also available separately as spreadsheet files in a single compressed (.zip) format file at this site. The *Monitoring Report* is published once a year. Information received well in advance of the next *Monitoring Report* will be made available on an interim basis in separate staff reports or in raw data files (such as most NECA filings used in the *Monitoring Report*) on the Office of Economics and Analytics Statistical Reports Internet site.

Supplementary material is available in a single compressed (.zip) format file at http://www.fcc.gov/encyclopedia/federal-state-joint-board-monitoring-reports. The contents of this file are provided at the end of this introduction.

We continue to look for ways to present universal service data in a way that is useful for the public. We have broken out Alternative Connect America Cost Model (A-CAM) and legacy carriers 1) in Section 3 (Tables 3.1 and 3.2) to provide additional information on high-cost support fund history for Rate-of-Return

¹ The last report was released in May 2019. *Universal Service Monitoring Report*, 2018, CC Docket No. 96-45 et al. (Data Received Through September 2018) *available at* https://www.fcc.gov/general/federal-state-joint-board-monitoring-reports.

² In 1997, the Commission adopted rules to implement section 254 largely based on the recommendations of the Universal Service Joint Board and delegated to the Common Carrier Bureau (the predecessor to the Wireline Competition Bureau), in consultation with the state staff, the creation of a new monitoring program to replace a similar program in CC Docket No. 87-339 that previously resulted in a series of nineteen *Monitoring Reports*. *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9218, para. 869 (1997) (*Universal Service First Report and Order*). *See* 47 C.F.R. § 54.702(i).

carriers, and 2) in Section 6 (Table 6.13) to provide additional information on switched access lines and interconnected Voice over Internet Protocol (VoIP) subscribers for rate-of-return carriers. Table 6.10 has been expanded to include five years of residential high-speed internet subscribership by State. We have also added new charts to Section 6 showing additional deployment information requested by the Joint Board

We invite questions or comments on this report via email at OEA-IADreports@fcc.gov with subject: December 2019 Monitoring Report.

2019 Monitoring Report Supplementary Material

This list shows the folders and filenames in the 2018 Monitoring Report Supplementary Material zip file available at http://www.fcc.gov/encyclopedia/federal-state-joint-board-monitoring-reports.

Report Tables Section 1 - Tables - Publish Section 2 - Tables - Publish Section 3 - Tables - Publish Section 4 - Tables - Publish Section 5 - Tables - Publish Section 6 - Tables - Publish Section 7 - Tables - Publish **Revenues and Contributions** S.1.1. Revenue Details - 2018 S.1.2. Revenue Details - Historical S.1.3. Estimating End-User Revenue by State - 2017 Technical Appendix S.1.4. Estimating End-User Revenue by State - 2017 Tables S.1.4. Contribution Base Revenues by Program Low Income S.2.1. LI Support - by State S.2.2. LI Support - by Study Area S.2.3. LI Subscribers and Beneficiaries - by State S.2.4. ETCs Receiving Lifeline Support 2018 High-Cost - CLAIMS S.3.1. HC Claims - by State S.3.2. HC Claims - by Study Area S.3.3. HC RoR Claims per Line - by Study Area S.3.4. HC Support Study Areas - 2018 S.3.5. 2019 Rate Floor Report S.3.6. Support Reduction Waiver Requests S.3.6. HC Rate Floor Reductions - by Study Area S.3.7. HC Reductions due to \$250 Cap - by Study Area **High-Cost - DISBURSEMENTS** S.3.8. HC Disbursements - by State S.3.9. HC Disbursements - by Study Area S.3.10. HC RoR Disbursements per Line - by Study Area S.3.11. HC Performance Default Payments Schools and Libraries S.4.1. SL Funds - by Service Type, State, and Funding Year S.4.2. SL Cumulative Funds - by Service Type and State S.4.3. SL Disbursements - by Service Provider Type S.4.4. SL Funds per Student - by State S.4.5. SL Funds - by Applicant Type, State, and Funding Year Rural Health Care S.5.1. RHC Funds - by State, Program, and Year S.5.2. RHC Disbursements - by Speed, Year, and State S.5.3. RHC Disbursements - by Speed, Year, and HCP Type S.5.4. RHC Disbursements per Person - by State S.5.5. RHC Funds - by HCP Type, Program, and Year Subscribership and Minutes of Use S.6.1. Broadband Subscribership by County, Congressional District, and State S.6.2. ILEC Interstate Switched Access Minutes of Use - by Study Area S.6.3. ILEC Interstate Switched Access Minutes of Use - by Tier S.6.4. ILEC Interstate Switched Access Minutes of Use - by State

S.6.5. NECA Pool Results

Section 1 – Revenues and Contributions

In response to the Telecommunications Act of 1996, the Commission established universal service mechanisms to help ensure that all Americans have access to affordable telecommunications service. Congress mandated that these programs be supported by contributions from every telecommunications carrier that provides interstate telecommunications, and other providers of telecommunications services if the Commission finds contributions from such providers to be in the public interest. The tables in this section provide an overview of the revenues of the U.S. telecommunications industry and the associated contributions to the universal service support mechanisms. The tables are based on information filed with the Commission in FCC Forms 499-A and 499-Q. To the extent that certain telecommunications industry revenues are not subject to contributions, such revenues may not be fully captured in these tables.

Additional information about the revenues collected to support universal service can be found on the Commission's website at http://www.fcc.gov/encyclopedia/contribution-methodology-administrative-filings and on USAC's website at http://www.usac.org/cont/default.aspx. Please note that that the information provided in this report is based upon Commission rules in effect in 2018.

Table 1.1 – Filer Revenues by Service Type: 2010 – 2018 (in Millions of Dollars)

		2010	2011	2012	2013	2014	2015	2016	2017	2018
	Local Exchange 1	\$43,878	\$38,987	\$35,298	\$32,922	\$30,537	\$28,410	\$25,900	\$23,208	\$20,771
	Pay Telephone ²	197	136	368	359	322	286	271	269	265
	Local Private Line ³	26,809	28,243	29,072	29,632	31,222	32,191	30,472	30,272	26,906
Local Service	VoIP Local ⁴	8,234	8,110	8,990	10,103	11,136	11,968	14,398	14,428	14,503
and Payphone	Other Local ⁵	3,032	3,145	2,462	1,746	1,450	1,493	1,510	1,749	1,710
Revenues	Federal and State USF Support ⁶	4,880	5,620	6,282	5,991	5,786	6,137	6,016	5,904	5,994
	Subscriber Line Charges ⁷	7,481	6,703	6,195	5,968	5,511	5,175	4,787	4,431	4,049
	Access 8	8,336	7,368	6,787	6,384	5,006	4,836	3,809	3,312	2,850
	Total Local Service and Payphone Revenues	102,847	98,313	95,455	93,105	90,969	90,495	87,162	83,572	77,048
Mobile Revenues	Total Mobile Service Revenues 9	111,643	107,392	105,147	98,160	86,996	75,262	65,636	56,952	52,890
	Operator ¹⁰	3,585	3,162	3,373	3,064	2,699	2,351	1,876	1,844	1,810
	VoIP Toll ¹¹	1,943	4,250	4,693	4,999	5,139	5,238	3,447	3,768	3,925
Toll Service	Non-Operator Switched Toll 12	25,189	23,307	20,718	18,346	17,354	16,261	14,850	11,841	11,068
Revenues	Long Distance Private Line 13	14,344	11,443	12,221	12,542	12,293	12,778	13,353	13,316	12,850
	Other Long Distance ¹⁴	4,945	4,186	5,155	3,886	3,965	3,050	2,816	3,306	2,233
	Total Toll Service Revenues	50,006	46,347	46,159	42,837	41,450	39,678	36,342	34,075	31,885
Total Local, Mobile	e, and Toll Revenues	264,496	252,052	246,761	234,102	219,416	205,436	189,141	174,599	161,824
Universal Service Sur	rcharges 15	8,662	8,986	9,964	8,986	9,083	9,041	9,135	8,319	8,438
Total Telecommuni	cations Revenues 16	273,158	261,038	256,725	243,088	228,499	214,477	198,276	182,918	170,262
Total Non-Telecomm	unications Revenues 17	173,228	214,538	219,548	251,892	268,804	301,121	311,404	321,597	337,212
Total Reported Rev	venues	\$446,386	\$475,576	\$476,272	\$494,981	\$497,303	\$515,598	\$509,679	\$504,516	\$507,474

Dollar amounts are calculated using the sum of Lines 303.1a, 303.2a, 404.1a, 404.2a, and 404.3a from Form 499-A.

Dollar amounts are calculated using the sum of Lines 306a and 407a from Form 499-A.

³ Dollar amounts are calculated using the sum of Lines 305.1a, 305.2a, and 406a from Form 499-A.

⁴ Dollar amounts are calculated using the sum of Lines 404.4a and 404.5a from Form 499-A.

⁵ Dollar amounts are calculated using the sum of Lines 307a and 408a from Form 499-A.

⁶ Dollar amounts are calculated using Line 308a from Form 499-A.

Dollar amounts are calculated using Line 405a from Form 499-A. As of 2012, includes Access Recovery Charge (ARC).

⁸ Dollar amounts are calculated using the sum of Lines 304.1a and 304.2a from Form 499-A.

- Dollar amounts are calculated using the sum of Lines 309a, 409a, and 410a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 310a, 411a, 412a, and 413a from Form 499-A.
- Dollar amounts are calculated using Line 414.2a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 311a and 414.1a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 312a and 415a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 313a, 314a, 416a, and 417a from Form 499-A.
- Dollar amounts are calculated using Line 403a from Form 499-A. The surcharge figure indicates only surcharges that have been explicitly reported as such in Form 499-A and does not account for implicit surcharge revenues where carriers collect the surcharge through higher prices.
- ¹⁶ Subtotal includes surcharge.
- Dollar amounts are calculated using Line 418a from Form 499-A.

Note: Detail may not add to totals due to rounding.

Source: FCC Form 499-A for 2018 based on filings as of September 5, 2019. Data for 2010 and 2014 have been updated.

Table 1.2 – Filer Revenues, Wholesale vs. Retail: 2010 – 2018¹

(in Millions of Dollars)

		2010	2011	2012	2013	2014	2015	2016	2017	2018
	Local Service 3,4	\$37,955	\$39,807	\$39,843	\$39,101	\$37,983	\$38,976	\$36,180	\$35,501	\$32,701
	Mobile Service ⁵	5,006	5,512	5,570	5,384	5,339	5,025	4,601	3,463	3,403
Wholesale (Carrier's Carrier)	Toll Service ⁶	15,549	11,921	11,722	10,911	10,485	9,955	9,714	8,519	7,775
Telecommunications	Total Wholesale Revenues	\$58,510	\$57,239	\$57,135	\$55,396	\$53,807	\$53,955	\$50,496	\$47,484	\$43,879
Revenues ²	Intrastate ⁷	22,484	20,379	18,895	17,236	16,174	15,775	13,749	13,095	11,737
	Interstate and International 8,9	36,026	36,861	38,240	38,160	37,633	38,180	36,747	34,389	32,142
	Percentage Interstate/International	62 %	64 %	67 %	69 %	70 %	71 %	73 %	72 %	73 %
	Local Service 3,10	\$64,892	\$58,506	\$55,612	\$54,004	\$52,986	\$51,519	\$50,982	\$48,071	\$44,347
	Mobile Service 11	106,637	101,881	99,577	92,776	81,657	70,238	61,035	53,489	49,487
Retail	Toll Service 12	34,457	34,426	34,438	31,927	30,966	29,723	26,628	25,556	24,110
(End User)	Universal Service Surcharges 13	8,662	8,986	9,964	8,986	9,083	9,041	9,135	8,319	8,438
Telecommunications	Total Retail Revenues	\$214,648	\$203,798	\$199,590	\$187,693	\$174,692	\$160,522	\$147,780	\$135,435	\$126,383
Revenues	Intrastate ¹⁴	142,355	133,475	129,468	119,294	107,847	96,592	87,598	79,702	73,284
	Interstate and International ^{1,8, 15}	72,293	70,323	70,122	68,399	66,846	63,930	60,181	55,733	53,098
	Percentage Interstate/International	34 %	35 %	35 %	36 %	38 %	40 %	41 %	41 %	42 %
	Local Service ³	\$102,847	\$98,313	\$95,455	\$93,105	\$90,969	\$90,495	\$87,162	\$83,572	\$77,048
	Mobile Service	111,643	107,392	105,147	98,160	86,996	75,262	65,636	56,952	52,890
Total	Toll Service	50,006	46,347	46,159	42,837	41,450	39,678	36,342	34,075	31,885
Telecommunications	Universal Service Surcharges 13	8,662	8,986	9,964	8,986	9,083	9,041	9,135	8,319	8,438
Revenues	Total Telecommunications Revenues	\$273,158	\$261,038	\$256,725	\$243,088	\$228,499	\$214,477	\$198,276	\$182,918	\$170,262
(Wholesale + Retail)	Intrastate	164,839	153,854	148,363	136,530	124,021	112,367	101,347	92,797	85,022
	Interstate and International ⁸	108,319	107,184	108,362	106,559	104,479	102,110	96,929	90,121	85,240
	Percentage Interstate/International	40 %	41 %	42 %	44 %	46 %	48 %	49 %	49 %	50 %
Total Non-Telecommun	nications Revenues	\$173,228	\$214,538	\$219,548	\$251,892	\$268,804	\$301,121	\$311,404	\$321,597	\$337,212
Total Reported Revenu	ies	\$446,386	\$475,576	\$476,272	\$494,981	\$497,303	\$515,598	\$509,679	\$504,516	\$507,474

Data include revenues for *de minimis* filers, as well as for other carriers that are exempt from universal service contribution requirements.

Wholesale revenues are reported on the FCC Form 499-A as sales to other universal service contributors for resale. This includes, for example, access services that local exchange carriers provide to toll carriers. Sales to de minimis resellers, end-user customers, government-only providers, international-only providers, and any other non-contributors are treated as end-user revenues. Filers contribute to the universal service funding mechanisms based on their end-user interstate and international revenues. See Table 1.5 for further details on the USF (Universal Service Fund) contribution base.

³ Payphone revenues and interconnected Voice over Internet Protocol (VoIP) revenues are included with local service revenues in this table.

- ⁴ Dollar amounts are calculated using the sum of Lines 303a to 308a from Form 499-A.
- ⁵ Dollar amounts are calculated using Line 309a from Form 499-A.
- ⁶ Dollar amounts are calculated using the sum of Lines 310a to 314a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 303a to 314a, minus the sum of Lines 303d to 314d, minus the sum of Lines 303e to 314e from Form 499-A.
- ⁸ Revenues from calls that both originate and terminate in foreign points are reported as end-user revenues and are included in this table, but are not included in the universal service contribution base. This line best represents the USF contribution base, which is further described in Table 1.5.
- 9 Dollar amounts are calculated using the sum of Lines 303d to 314d, plus the sum of Lines 303e to 314e from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 404a to 408a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 409a and 410a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 411a to 417a from Form 499-A.
- Dollar amounts are calculated using Line 403a from Form 499-A. Surcharges are contribution amounts passed through to end users.
- Dollar amounts are calculated using the sum of Lines 403a to 417a, minus the sum of Lines 403d to 417d, minus the sum of Lines 403e to 417e from Form 499-A.
- This line best represents the USF (Universal Service Fund) contribution base, which is further described in Table 1.5. Dollar amounts are calculated using the sum of Lines 403d to 417d, plus the sum of Lines 403e to 417e from Form 499-A. This is different from billed interstate and international end user revenue, which does not include international revenues and uncollected revenues.

Note: Detail may not add to totals due to rounding.

Source: FCC Form 499-A for 2018 based on filings as of September 5, 2019. Data for 2010 and 2014 have been updated.

Table 1.3 – Filer Revenues by Service Type: Top 10 Affiliated Entities vs. Other Companies (in Millions of Dollars)

		Top 10 Affiliated Entities ¹	Other Companies	Total
	Local Exchange ²	\$ 16,777	\$ 3,994	\$ 20,771
	Pay Telephone ³	6	259	265
	Local Private Line 4	21,855	5,051	26,906
Local Service	VoIP ⁵	9,889	4,614	14,503
and	Other Local ⁶	826	884	1,710
Payphone Revenues	Federal and State USF Support ⁷	2,482	3,512	5,994
	Subscriber Line Charges ⁸	2,904	1,145	4,049
	Access 9	1,873	977	2,850
	Total Local Service and Payphone Revenue	56,613	20,435	77,048
Mobile Revenues	Total Mobile Service Revenues 10	48,581	4,310	52,890
	Operator ¹¹	104	1,706	1,810
	VoIP ¹²	3,214	710 4,526 2,230	3,925
Toll Service	Non-Operator Switched Toll ¹³	6,542		11,068
Revenues	Long Distance Private Line 14	10,620		12,850
	Other Long Distance 15	444	1,789	2,233
	Total Toll Service Revenues	20,924	10,961	31,885
Total Local, Mobile,	and Toll Revenues	126,117	35,706	161,824
Universal Service Surcharges 16		7,053	1,385	8,438
Total Telecommunications Revenues 17		133,171	37,091	170,262
Total Non-Telecommunications Revenues 18		246,889	90,323	337,212
Total Reported Reve	nues	\$ 380,060	\$ 127,414	\$ 507,474

The "Top 10 Affiliated Entities" are those with the greatest revenues as defined by the sum of Lines 315a and 419a on Form 499-A. These companies are (in alphabetical order): América Móvil, AT&T Inc., CenturyLink, Charter Communications, Comcast Corporation, Deutsche Telekom AG, Frontier Communications Corporation, SoftBank Corporation, Verizon Communications, and Windstream Holdings, Inc. The affiliated entity structure is current as of year-end 2018.

- Dollar amounts are calculated using the sum of Lines 303.1a, 303.2a, 404.1a, 404.2a, and 404.3a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 306a and 407a from Form 499-A.
- ⁴ Dollar amounts are calculated using the sum of Lines 305.1a, 305.2a, and 406a from Form 499-A.
- ⁵ Dollar amounts are calculated using the sum of Lines 404.4a and 404.5a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 307a and 408a from Form 499-A.
- Dollar amounts are calculated using Line 308a from Form 499-A.
- ⁸ Dollar amounts are calculated using Line 405a from Form 499-A. As of 2012, includes Access Recovery Charge (ARC).
- 9 Dollar amounts are calculated using the sum of Lines 304.1a and 304.2a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 309a, 409a, and 410a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 310a, 411a, 412a, and 413a from Form 499-A.
- Dollar amounts are calculated using Line 414.2a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 311a and 414.1a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 312a and 415a from Form 499-A.
- Dollar amounts are calculated using the sum of Lines 313a, 314a, 416a, and 417a from Form 499-A.
- Dollar amounts are calculated using Line 403a from Form 499-A. The surcharge figure indicates only surcharges that have
- been explicitly reported as such in the Form 499-A and does not account for implicit surcharge revenues where carriers collect the surcharge through higher prices.
- 17 Subtotal includes surcharge.
- Dollar amounts are calculated using Line 418a from Form 499-A.
 - Note: Detail may not add to totals due to rounding.
 - Source: FCC Form 499-A based on filings as of September 5, 2019.

Table 1.4 – Telecommunications Revenue Reported on FCC Form 499-Q: 2017 – 2019 (in Millions of Dollars)

	Data from FCC Form 499)-Q	All Filers	LIRE Exemption ¹	Total Less LIRE
Projected Revenues for 2017	Interstate and International ²	Retail (End User) Billed ³ Retail Net of Uncollectibles ⁴ Implied Uncollectible Rate	56,366 55,800 1.0 %	(2,152)	53,649
Historical Revenues Reported for 2017	Intrastate, Interstate, and International	Wholesale (Carrier's Carrier) Billed ⁵ Retail (End User) Billed Total Revenue	45,059 136,393 181,452		
	Interstate and International	Retail (End User) Billed	55,716		
Projected Revenues for 2018	Interstate and International	Retail (End User) Billed Retail Net of Uncollectibles Implied Uncollectible Rate	53,217 52,855 0.7 %	(1,861)	50,994
Historical Revenues Reported for 2018	Intrastate, Interstate, and International	Wholesale (Carrier's Carrier) Billed Retail (End User) Billed Total Revenue	43,074 126,820 169,894		
	Interstate and International	Retail (End User) Billed	52,819		
Projected Revenues for 2019			49,108 48,742 0.7 %	(1,694)	47,048
Historical Revenues Reported for First Half of 2019		Wholesale (Carrier's Carrier) Billed ⁹ Retail (End User) Billed ¹⁰ Total Revenue Retail (End User) Billed ¹¹	19,979 56,075 76,055 24,084		

A provider receives the Limited International Revenue Exemption (LIRE) and its international revenues are excluded from the contribution base if the total amount of interstate end-user revenues for the filing entity, consolidated with all affiliates, is less than 12% of the total of interstate and international end-user revenues for the filing entity consolidated with all affiliates. Affiliated filer entities who do not pass the 12% rule, but whose USF obligation exceeds its interstate revenue, may be considered for the LIRE exemption on a case by case basis. See 47 C.F.R. § 54.706(c). In addition, filers that provide only international services are exempt regardless of services offered by affiliates.

- ² Projected intrastate revenues are not reported on FCC Form 499-Q.
- Prior to 2014, this line was referred to as "Billed to End Users."
- ⁴ Prior to 2014, this line was referred to as "Collected from End Users."
- ⁵ Prior to 2014, this line was referred to as "Billed to Resellers."
- 6 Dollar amounts for projected revenues billed to end users are calculated using the sum of Lines 119b and 119c from Form 499-O.
- Dollar amounts for projected revenues collected from end users are calculated using the sum of Lines 120b and 120c from Form 499-Q.
- Dollar amounts for projected LIRE exempt revenues are calculated using the sum of Lines 120b and 120c in the Form 499Q filings from those filers who are LIRE-exempt.
- Dollar amounts for historical revenues billed to wholesaler is calculated using Line 115a from Form 499-Q.
- Dollar amounts for historical revenues billed to retail is calculated using Line 116a from Form 499-Q.
- Dollar amounts for interstate and international historical revenues billed to end users is calculated using the sum of Lines 116b and 116c from Form 499-Q.

Note: Detail may not add to totals due to rounding.

Source: FCC Form 499-Q as of August 7, 2019.

Table 1.5 – USF Contribution Base by Year: 2010 – 2018¹

(in Millions of Dollars)

	Revenues Subject to USF Contribution		2011	2012	2013	2014	2015	2016	2017	2018
	Billed interstate and international retail (end-user)									
	revenues (includes Universal Service Surcharge) ²	\$72,293	\$70,323	\$70,122	\$68,399	\$66,846	\$63,930	\$60,181	\$55,733	\$53,098
less	revenues for international-to-international services ³	469	452	638	589	579	361	174	150	198
	international revenues of international-only filers									
	and international revenues that were excluded									
less	because of the LIRE Exemption ⁴	3,373	3,095	2,836	2,957	2,811	2,669	2,031	1,916	1,615
	interstate and other international revenues for									
	filers who are de minimis or otherwise exempt									
less	from universal service support requirements		24	21	24	26	26	26	27	28
less	uncollectible contribution base revenues ⁵		786	712	605	530	470	427	355	330
e quals		\$67,464	\$65,966	\$65,914	\$64,224	\$62,900	\$60,403	\$57,524	\$53,284	\$50,928

This table shows the contribution base for the Universal Service Fund (USF), but the actual amounts used for determining contributions may differ due to the following factors: (1) Adjustments are made by the Administrator to account for additional and corrected filings received; (2) Exempt amounts were based on revenues and the filer type (i.e., principal business activity) information contained in the FCC Form 499-A filings; (3) The Administrator may use carrier type, revenue type, Line 603 exemption certifications, and additional information requested from filers to determine which filers are required to contribute; (4) The Administrator bills delinquent filers based on estimated revenues and may, in some instances, include estimated revenue amounts in contribution base amounts; (5) The universal service contribution factors are set quarterly based on FCC Form 499-Q filings; and (6) FCC Form 499-A data are used for true-up and auditing purposes. As a result of these factors, actual contribution bases have been based on different amounts than those shown.

Note: Detail may not add to totals due to rounding.

Source: FCC Form 499-A for 2018 based on filings as of September 5, 2019. Data for 2010 and 2014 have been updated.

² Dollar amounts are calculated using the sum of Lines 403 to 417, parts d and e on Form 499-A.

³ Dollar amounts are calculated using Line 412e on Form 499-A.

A provider receives the Limited International Revenue Exemption (LIRE) and its international revenues are excluded from the contribution base if the total amount of interstate end-user revenues for the filing entity consolidated with all affiliates is less than 12% of the total of interstate and international end-user revenues for the filing entity consolidated with all affiliates. Affiliated filer entities who do not pass the 12% rule, but whose USF obligation exceeds its interstate revenue may request to be considered for the LIRE exemption on a case by case basis. See 47 C.F.R. § 54.706(c). In addition, filers that provide only international services are exempt regardless of services offered by affiliates.

Does not include uncollectible amounts associated with filers who are de minimis or LIRE exempt. Dollar amounts are calculated using the sum of Lines 422d and 422e on Form 499-A. Dollar amounts are calculated using the sum of Lines 422, parts d and e of Form 499-A.

Table 1.6 – Universal Service Fund Contribution Factor¹

Year	Quarter	Contribution Factor
2010	First Quarter	14.1
	Second Quarter	15.3
	Third Quarter	13.6
	Fourth Quarter	12.9
2011	First Quarter	15.5
	Second Quarter	14.9
	Third Quarter	14.4
	Fourth Quarter	15.3
2012	First Quarter	17.9
	Second Quarter	17.4
	Third Quarter	15.7
	Fourth Quarter	17.4
2013	First Quarter	16.1
	Second Quarter	15.5
	Third Quarter	15.1
	Fourth Quarter	15.6
2014	First Quarter	16.4
	Second Quarter	16.6
	Third Quarter	15.7
	Fourth Quarter	16.1
2015	First Quarter	16.8
	Second Quarter	17.4
	Third Quarter	17.1
	Fourth Quarter	16.7
2016	First Quarter	18.2
	Second Quarter	17.9
	Third Quarter	17.9
	Fourth Quarter	17.4
2017	First Quarter	16.7
	Second Quarter	17.4
	Third Quarter	17.1
	Fourth Quarter	18.8
2018	First Quarter	19.5
	Second Quarter	18.4
	Third Quarter	17.9
	Fourth Quarter	20.1
2019	First Quarter	20.0
	Second Quarter	18.8
	Third Quarter	24.4
	Fourth Quarter	25.0

Carriers contribute based on projected, collected, end-user interstate and international telecommunications revenues.

Source: Quarterly Public Notices on universal service contribution factors are in CC Docket 96-45. See http://www.fcc.gov/encyclopedia/contribution-factor-quarterly-filings-universal-service-fund-usf-management-support.

Table 1.7 – Billed Interstate and International Retail Communications Revenues by Top 10
Affiliated Entities vs. Other Companies: 2010 – First Half 2019¹

(in Millions of Dollars)

	Top 10 Affiliated Entities ²	Other Companies	Total	Top 10 Share
2010	\$54,785	\$17,038	\$71,823	76 %
2011	54,206	15,665	69,871	78
2012	53,671	15,813	69,483	77
2013	52,779	15,031	67,810	78
2014	52,739	13,528	66,267	80
2015	50,083	13,485	63,568	79
2016	47,638	12,369	60,008	79
2017	44,897	10,686	55,582	81
2018	42,405	10,495	52,900	80
First Half 2019 ³	19,009	5,075	24,084	79

Revenues are calculated as the sum of Lines 403d to 417d (interstate end user revenue) and 403e to 417e (international end user revenue) minus Lines 412e from Form 499-A.

Note: Detail may not add to totals due to rounding.

Source: Data for 2010 through 2018 are based on Form 499-A filings as of September 5, 2019. Data for 2019 are based on FCC Form 499-Q filings as of August 7, 2019.

The "Top 10 Affiliated Entities" are those with the greatest revenues as defined by the sum of Lines 315a and 419a on Form 499-A. These companies are (in alphabetical order): América Móvil, AT&T Inc., CenturyLink, Charter Communications, Comcast Corporation, Deutsche Telekom AG, Frontier Communications Corporation, SoftBank Corporation, Verizon Communications, and Windstream Holdings, Inc..

Preliminary revenues are calculated using Line 116b plus Line 116c for each quarter in FCC Form 499-O.

Table 1.8 – End User Telecommunications Revenue by State: 2017 (in Millions of Dollars)

	Intrastate	Interstate and International	Total	% Intrastate	% Interstate and International	% Total
Alabama	\$1,099	\$730	\$1,829	1.38 %	1.31 %	1.35 %
Alaska	183	144	327	0.23	0.26	0.24
American Samoa	7	5	13	0.01	0.01	0.01
Arizona	1,531	1,200	2,731	1.92	2.15	2.02
Arkansas	650	480	1,130	0.82	0.86	0.83
California	9,753	6,079	15,832	12.24	10.91	11.69
Colorado	1,343	1,072	2,415	1.69	1.92	1.78
Connecticut	980	785	1,765	1.23	1.41	1.30
Delaware	261	219	480	0.33	0.39	0.35
District of Columbia	409	358	767	0.51	0.64	0.57
Florida	4,826	3,292	8,118	6.06	5.91	5.99
Georgia	2,454	1,638	4,093	3.08	2.94	3.02
Guam	36	29	65	0.05	0.05	0.05
Hawaii	330	260	590	0.41	0.47	0.44
Idaho	346	287	632	0.43	0.51	0.47
Illinois	3,158	2,210	5,368	3.96	3.96	3.96
Indiana	1,443	1,056	2,499	1.81	1.89	1.85
Iowa	737	572	1,309	0.92	1.03	0.97
Kansas	679	463	1,142	0.85	0.83	0.84
Kentucky	1,013	719	1,733	1.27	1.29	1.28
Louisiana	1,116	683	1,799	1.40	1.23	1.33
Maine	334	258	591	0.42	0.46	0.44
Maryland	1,697	1,351	3,048	2.13	2.42	2.25
Massachusetts	1,954	1,258	3,212	2.45	2.26	2.37
Michigan	2,240	1,454	3,694	2.81	2.61	2.73
Minnesota	1,436	1,067	2,504	1.80	1.91	1.85
Mississippi	587	383	970	0.74	0.69	0.72
Missouri	1,412	1,057	2,469	1.77	1.90	1.82
Montana	248	209	456	0.31	0.37	0.34
Nebraska	471	364	835	0.59	0.65	0.62
Nevada	698	504	1,202	0.88	0.90	0.89
New Hampshire	348	284	632	0.44	0.51	0.47
New Jersey	2,652	1,979	4,631	3.33	3.55	3.42
New Mexico	441	354	795	0.55	0.64	0.59
New York	5,717	3,608	9,325	7.17	6.47	6.88
North Carolina	2,383	1,669	4,052	2.99	2.99	2.99
North Dakota	183	147	330	0.23	0.26	0.24
N. Mariana Islands	11	7	18	0.23	0.20	0.24
Ohio	2,861	1,940	4,801	3.59	3.48	3.54
Oklahoma	816	547	1,363	1.02	0.98	1.01
Oregon	919	692	1,610	1.15	1.24	1.19
Pennsylvania	3,429	2,467	5,896	4.30	4.43	4.35
Puerto Rico	655	602	1,257	0.82	1.08	0.93
Rhode Island	277	180	457	0.35	0.32	0.34
South Carolina	1,130	816	1,945	1.42	1.46	1.44
South Dakota	212	164	376	0.27	0.29	0.28
Tennessee	1,560	1,044	2,605	1.96	1.87	1.92
Texas	6,003	3,950	9,953	7.53	7.09	7.35
Utah	6,003	3,930 451	1,058	0.76	0.81	0.78
Vermont	180	158	338	0.76	0.28	0.78
Virgin Islands	35	38	73	0.04	0.07	0.05
Virginia	2,193	1,677	3,870	2.75	3.01	2.86
Washington	1,699	1,224	2,923	2.13	2.20	2.16
West Virginia	440	415	855	0.55	0.74	0.63
Wisconsin	1,379	1,022	2,401	1.73	1.83	1.77
Wyoming	140	118	258	0.18	0.21	0.19
Total	\$79,702	\$55,733	\$133,435	100.00 %	100.00 %	100.00 9

Note: Figures may not add to totals due to rounding.

Source: Staff estimate based upon Supplemental table S.1.3. For methodology enduser revenue per state, see the Technical Appendix at http://www.fcc.gov/encyclopedia/federal-state-joint-board-monitoring-reports.

Table 1.9 – Universal Service Support Mechanisms by State: 2018 (Annual Payments and Contributions in Thousands of Dollars)

	Payments from USF to Providers Estimate					E-timeted C	2	Estimated Net	
	High-Cost	Low-Income	Schools &	Rural Health	Te	otal	Estimated Co	ontributions	Dollar Flow 3
	Support 1	Support	Libraries	Care	Amount	% of Total	Amount	% of Total	
Alabama	\$ 90,555	\$ 14,432	\$ 23,403	\$ 2,376	\$ 130,765	1.54 %	113,761.776	1.31 %	\$ 17,004
Alaska	183,794	14,016	87,200	81,578	366,588	4.32	22,440.679	0.26	344,147
American Samoa	3,524	112	676	0	4,311	0.05	779.190	0.01	3,532
Arizona	75,380	36,359	56,570	4,149	172,458	2.03	187,005.660	2.15	-14,547
Arkansas	113,567	9,437	26,745	9,169	158,918	1.87	74,802.264	0.86	84,116
California	144,059	180,777	299,672	10,992	635,499	7.49	947,339.504	10.91	-311,840
Colorado	59,709	7,668	38,965	13,292	119,634	1.41	167,058.389	1.92	-47,424
Connecticut	439	9,773	15,120	716	26,049	0.31	122,332.869	1.41	-96,284
Delaware	228	2,964	4,961	0	8,153	0.10	34,128.533	0.39	-25,975
District of Columbia	0	2,512	9,185	0	11,697	0.14	55,790.022	0.64	-44,093
Florida	55,575	79,977	86,341	4,225	226,118	2.67	513,018.860	5.91	-286,901
Georgia	114,949	39,191	66,949	4,712	225,802	2.66	255,262.725	2.94	-29,461
Guam	12,012	97	1,245	59	13,413	0.16	4,519.303	0.05	8,894
Hawaii	4,418	1,302	5,629	11	11,359	0.13	40,517.893	0.47	-29,158
Idaho	50,566	1,770	12,437	2,116	66,889	0.79	44,725.520	0.51	22,163
Illinois	119,548	30,104	92,604	4,264	246,521	2.91	344,402.090	3.96	-97,881
Indiana	119,348	17,891	52,633	9,026	197,563	2.33	164,564.981	1.89	32,998
Indiana Iowa	201,286	6,054	16,803	3,033	227,176	2.33	89,139.364	1.03	138,037
									1
Kansas	173,189	5,229	21,456	2,727	202,601	2.39	72,153.017	0.83	130,448
Kentucky	148,722	18,636	35,847	4,007	207,213	2.44	112,047.558	1.29	95,165
Louisiana	83,914	22,312	42,421	3,544	152,192	1.79	106,437.388	1.23	45,754
Maine	33,602	2,848	5,338	4,719	46,507	0.55	40,206.217	0.46	6,301
Maryland	3,610	18,516	28,650	3,087	53,863	0.64	210,537.205	2.42	-156,675
Massachusetts	2,333	19,092	31,696	1,141	54,263	0.64	196,044.267	2.26	-141,781
Michigan	110,050	43,568	50,623	11,392	215,633	2.54	226,588.524	2.61	-10,956
Minnesota	215,340	9,798	29,694	2,863	257,695	3.04	166,279.199	1.91	91,416
Mississippi	173,907	10,627	22,248	5,314	212,097	2.50	59,685.973	0.69	152,411
Missouri	176,962	13,201	30,122	6,563	226,848	2.67	164,720.819	1.90	62,128
Montana	134,876	1,404	4,941	717	141,938	1.67	32,570.152	0.37	109,368
Nebraska	110,616	709	9,402	4,354	125,081	1.47	56,725.050	0.65	68,356
Nevada	17,408	10,183	4,863	443	32,898	0.39	78,542.377	0.90	-45,645
New Hampshire	13,200	1,329	3,503	93	18,125	0.21	44,258.006	0.51	-26,133
New Jersey	1,030	23,011	53,034	0	77,075	0.91	308,403.500	3.55	-231,329
New Mexico	82,330	19,753	37,925	2,449	142,456	1.68	55,166.670	0.64	87,290
New York	62,037	85,913	84,518	5,564	238,032	2.81	562,263.683	6.47	-324,232
North Carolina	70,293	26,724	70,528	7,663	175,207	2.07	260,093.705	2.99	-84,887
North Dakota	140,261	1,216	3,367	1,028	145,872	1.72	22,908.193	0.26	122,964
N. Mariana Islands	3,209	253	769	0	4,231	0.05	1,090.866	0.01	3,140
Ohio	84,335	45,785	69,667	5,907	205,693	2.43	302,325.817	3.48	-96,633
Oklahoma	151,946	56,228	45,085	2,856	256,115	3.02	85,243.413	0.98	170,872
Oregon	83,908	5,544	22,359	3,519	115,329	1.36	107,839.930	1.24	7,489
ŭ.	1				172,081		384,452.469		
Pennsylvania	63,748	48,291	56,734	3,308	· ·	2.03		4.43	-212,371
Puerto Rico	166,358	55,250	21,933	56	243,597	2.87	93,814.506	1.08	149,783
Rhode Island	30	4,007	7,637	0	11,674	0.14	28,050.849	0.32	-16,377
South Carolina	109,496	14,777	37,689	3,375	165,336	1.95	127,163.849	1.46	38,172
South Dakota	108,351	1,918	6,371	1,772	118,412	1.40	25,557.440	0.29	92,855
Tennessee	89,610	25,399	63,221	3,849	182,079	2.15	162,694.924	1.87	19,384
Texas	283,776	56,630	232,564	19,274	592,242	6.98	615,560.297	7.09	-23,318
Utah	40,861	3,439	16,683	1,334	62,318	0.73	70,282.960	0.81	-7,965
Vermont	21,306	1,287	4,283	273	27,148	0.32	24,622.412	0.28	2,526
Virgin Islands	29,544	151	1,993	0	31,687	0.37	5,921.846	0.07	25,766
Virginia	87,911	13,287	45,333	5,477	152,007	1.79	261,340.409	3.01	-109,334
Washington	85,164	16,082	25,553	13,622	140,420	1.66	190,745.773	2.20	-50,325
West Virginia	57,370	7,569	12,630	2,927	80,496	0.95	64,672.791	0.74	15,823
Wisconsin	222,379	17,031	43,198	13,421	296,029	3.49	159,266.487	1.83	136,762
Wyoming	45,262	683	3,971	266	50,182	0.59	18,388.890	0.21	31,793
Total	\$ 4,835,868	\$ 1,162,116	\$ 2,184,985	\$ 298,620	\$ 8,481,589	100.00 %	8,686,257.055	100.00 %	-\$ 204,668
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- *Note*: Figures may not add due to rounding.
- High-cost support excludes performance default payments from Mobility Fund and includes recovered forfeited funds for Connect America Fund (CAF)-Phase I Support.
 - Contributions include administrative cost of approximately \$205 million, as shown in Universal Service
- Administration Company (USAC) Annual Report. Allocation of contributions among states is an FCC staff estimate. See the Technical Appendix at http://www.fcc.gov/encyclopedia/federal-state-joint-board-monitoring-reports.
- Net dollar flow is positive when payments from USF (Universal Service Fund) to carriers exceed contributions to USF. Total is negative because of administrative expenses.

Table 1.10 – Universal Service Disbursements 2001 – 2018 (in Millions of Dollars)

Year	High-Cost Support	Low-Income Support	Rural Health Care	Schools and Libraries	Total
2001	\$2,602	\$584	\$8	\$1,464	\$4,659
2002	2,978	673	16	1,683	5,350
2003	3,273	713	3	1,644	5,633
2004	3,488	759	1	1,076	5,324
2005	3,824	809	26	1,862	6,520
2006	4,096	820	41	1,669	6,626
2007	4,287	823	37	1,808	6,955
2008	4,478	819	49	1,760	7,106
2009	4,292	1,025	72	1,878	7,268
2010	4,268	1,316	110	2,282	7,976
2011	4,031	1,751	141	2,233	8,156
2012	4,147	2,189	155	2,218	8,710
2013	4,165	1,798	159	2,204	8,326
2014	3,733	1,660	193	2,269	7,855
2015	4,499	1,514	279	2,080	8,372
2016	4,491	1,537	298	2,387	8,712
2017	4,683	1,287	262	2,650	8,882
2018	4,836	1,162	299	2,185	8,482

Notes: Figures may not add due to rounding. The figures used in this table are for the calendar year and include disbursements that were committed over several years but paid out in the respective calendar year. In Sections 4 and 5, figures for the Schools and Libraries program and the Rural Health Care program are reported based on fiscal year rather than calendar year. High-cost support excludes penalties for Mobility Fund and includes recovered forfeited funds for Connect America Fund (CAF)-Phase I Support.

Source: Universal Service Administration Company (USAC).

Table 1.11 – Universal Service Program Requirements and Contribution Factors for 2019 (in Millions of Dollars)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
High Cost			-		
High Cost Loop Support	\$122.70	\$122.70	\$141.31	\$141.31	\$528.02
Broadband Loop Support	\$183.23	\$183.28	\$259.41	\$259.49	\$885.41
CAF - Phase I Frozen Support ¹	\$36.74	\$36.74	\$36.74	\$30.57	\$140.79
Frozen Competitive ETC Support ²	\$119.81	\$118.69	\$118.69	\$118.18	\$475.37
CAF - Intercarrier Compensation Support	\$102.37	\$102.32	\$97.77	\$97.77	\$400.23
CAF - Phase II Auction	\$37.21	\$37.21	\$37.21	\$37.21	\$148.84
CAF - Phase II Cost Model	\$379.42	\$379.42	\$379.42	\$379.42	\$1,517.68
Alternative Connect America Cost Model I & II	\$91.14	\$91.14	\$228.93	\$195.41	\$606.62
Alaska Plan Support	\$32.08	\$32.08	\$32.08	\$32.08	\$128.32
Budget Control Mechanism Mitigation			\$66.16	\$66.16	\$132.32
Change to High-Cost Account ³	\$20.30	\$21.42			\$41.72
Prior Period Adjustment	\$10.49	-\$29.93	-\$12.79	-\$7.23	-\$39.46
USAC Administrative Costs	\$13.80	\$14.15	\$14.72	\$13.58	\$56.25
Interest Income ⁴	-\$1.46	-\$0.82	-\$0.15	\$0.00	-\$2.43
Program Total	\$1,147.83	\$1,108.40	\$1,399.50	\$1,363.95	\$5,019.68
Low Income					
Lifeline Assistance	\$279.33	\$272.56	\$263.86	\$253.55	\$1,069.30
Link-Up	\$0.07	\$0.07	\$0.03	\$0.04	\$0.21
Prior Period Adjustment	-\$15.30	-\$24.34	-\$18.26	-\$20.62	-\$78.52
USAC Administrative Costs	\$15.01	\$15.53	\$16.43	\$17.28	\$64.25
Interest Income ⁴	-\$0.09	-\$0.06	-\$0.01	\$0.00	-\$0.16
Program Total	\$279.02	\$263.76	\$262.05	\$250.25	\$1,055.08
Rural Health					
Rural Health Care Support	\$186.39	\$156.28	\$144.56	\$144.79	\$632.02
Prior Period Adjustment	\$1.50	-\$4.49	-\$2.03	-\$0.79	-\$5.81
USAC Administrative Costs	\$3.80	\$4.15	\$3.89	\$3.75	\$15.59
Interest Income ⁴	-\$0.48	-\$0.30	-\$0.07	\$0.00	-\$0.85
Program Total	\$191.21	\$155.64	\$146.35	\$147.75	\$640.95
Schools & Libraries					
Schools and Libraries Support	\$378.85	\$378.85	\$399.15	\$399.15	\$1,556.00
Prior Period Adjustment	\$6.48	-\$9.39	-\$4.08	-\$1.82	-\$8.81
USAC Administrative Costs	\$24.44	\$26.07	\$26.08	\$24.95	\$101.54
Interest Income ⁴	-\$3.36	-\$1.96	-\$0.36	\$0.00	-\$5.68
Program Total	\$406.41	\$393.57	\$420.79	\$422.28	\$1,643.05
Grand Total	\$2,024.47	\$1,921.37	\$2,228.69	\$2,184.23	\$8,358.76
Applicable interstate and international end-user revenues					
Reported contribution base revenues	\$12,289.16	\$12,266.46	\$11,483.31	\$11,017.44	
Circulatory Adjustment					
Amount carriers will contribute to USF in this quarte	-\$2,024.47	-\$1,921.37	-\$2,228.69	-\$2,184.23	
Subtotal	\$10,264.69	\$10,345.09	\$9,254.62	\$8,833.21	
Adjustment factor for uncollectibles	1.0%	1.0%	1.0%	1.0%	
Contribution base at the time the factor was calculate	\$10,162.04	\$10,241.64	\$9,162.07	\$8,744.88	
Contribution factor	20.0%	18.8%	24.4%	25.0%	
Contribution factor times contribution base	\$2,032.41	\$1,925.43	\$2,235.55	\$2,186.22	

- In the *USF/ICC Transformation Order*, the Commission converted support received by price cap carriers and their rate-of-return affiliates, including: IAS, HCMS, ICLS, LSS, and HCLS, to CAF Phase I Frozen Support. *USF/ICC Transformation Order*, paras. 128-157.
- In the *USF/ICC Transformation Order*, the Commission froze support received by competitive ETCs, including IAS, HCMS, ICLS, LSS, and HCLS at 2011 levels, effective January 1, 2012, and began phasing the frozen support down effective July 1, 2012. *USF/ICC Transformation Order*, paras. 498-532.
- In the *USF/ICC Transformation Order*, the Commission created the Connect America reserve to be used to manage fluctuations in high-cost demand. *USF/ICC Transformation Order*, paras. 547-556. Subsequently, in 2016, in the *Rate-of-Return Reform Order*, the Commission directed USAC to eliminate the Connect America reserve and to combine those funds with the high-cost account. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3111, paras. 17-79, n.130 (2016) (*Rate-of-Return Reform Order*).
- Interest income is shown as negative because it is subtracted from expenses to yield the total.

 **Source*: Support mechanism data are from USAC Appendix M02 from pertinent filings as shown at http://www.usac.org/about/tools/fcc/filings/default.aspx. Contribution factor information is available at https://www.fcc.gov/encyclopedia/contribution-factor-quarterly-filings-universal-service-fund-usf-management-support.

Section 2 – Lifeline (Low–Income)

Overview - Lifeline and Link Up Programs for Low-Income Consumers

Since 1985, the Universal Service Lifeline program has provided a discount on phone service for qualifying low-income consumers to ensure that all Americans have the opportunities and security that phone service brings, including being able to connect to jobs, family, and emergency services. Recently, the Commission has made ensuring the availability of broadband service for low-income Americans a goal of the Lifeline program. In 2016, the Commission adopted an order to comprehensively reform the Lifeline program. Among other things, the Commission included broadband as a supported service in the Lifeline program, set out minimum service standards for Lifeline-supported services, and directed Universal Service Administration Company (USAC) to establish a National Eligibility Verifier to make independent subscriber eligibility determinations. As of January 2020, the National Verifier has at least soft launched in all states and territories, and USAC is planning to fully launch the eight states and one territory still in soft launch status in early 2020.

The Lifeline program is available to eligible low-income consumers in every state, territory, commonwealth, and on Tribal lands. The Link Up program offsets the cost of service activation to qualifying low-income households. Since 2013, Link Up has been available only on Tribal lands. Consumers with proper proof of eligibility may be qualified to enroll. To participate in the Lifeline or Link Up program, consumers must have an income that is at or below 135% of the Federal Poverty Guidelines or participate in a qualifying assistance program. The Lifeline and Link Up programs are administered by USAC.

Additional information about the Lifeline program can be found on the Commission's website at http://www.fcc.gov/lifeline and on USAC's website at http://www.usac.org/li/. Please note that the information provided in this report is based upon the program rules through June 2018.

Table 2.1 – Lifeline Subscribers and Link Up Beneficiaries (in Thousands)

		Lifeline			Link Up	
Year	Non-Tribal	Tribal	Total	Non-Tribal	Tribal	Total
1987			1,063			8
1988			1,829			106
1989			2,115			207
1990			2,467			513
1991			2,984			640
1992			3,440			743
1993			3,972			737
1994			4,423			838
1995			4,914			824
1996			5,233			808
1997 ¹			5,111			
1998	5,376	0	5,376	2,195	0	2,195
1999	5,638	0	5,638	1,835	0	1,835
2000	5,856	4	5,861	1,690	2	1,692
2001	6,088	53	6,140	1,670	23	1,694
2002	6,393	111	6,504	1,657	30	1,687
2003	6,352	146	6,498	1,662	23	1,685
2004	6,612	176	6,788	1,670	42	1,712
2005	6,829	234	7,063	1,672	90	1,762
2006	6,634	287	6,921	1,553	101	1,654
2007	6,615	328	6,943	1,382	112	1,494
2008	6,382	350	6,732	1,510	118	1,627
2009	7,661	371	8,032	1,751	111	1,862
2010	9,883	382	10,265	2,509	126	2,635
2011	13,301	463	13,764	4,014	285	4,300
2012	16,405	761	17,166	1,228	180	1,408
2013	13,833	650	14,483	0	17	17
2014	12,943	502	13,445	0	29	29
2015	12,115	418	12,533	0	20	20
2016	12,424	360	12,784	0	21	21
2017	10,463	293	10,756	0	10	10
2018	9,355	260	9,615	0	12	12

Notes: The Lifeline subscribers and Link Up beneficiaries represent USAC data for the time period January through December, including true-ups reported through September 2019. Data for 2012-2017 were revised because carriers can revise their filings. When carriers revise their line counts up, they receive more support and when carriers revise their line counts down, they receive less support.

Subscriber data were not collected in 1997. Lifeline subscribership data were estimated by Universal Service Administrative Company (USAC). Link Up data were not estimated.

Table 2.2 – Low–Income Claims (in Thousands of Dollars)

	Lifeline						Link Up			
		Additional								
Year	General	Tribal ²	TLS ³	PICC 4	Total	Non-Tribal	Tribal	Total		
1988	\$31,952	\$0	\$0	\$0	\$31,952	\$1,991	\$0	\$1,991	\$33,943	
1989	50,878	0	0	0	50,878	4,480	0	4,480	55,358	
1990	62,464	0	0	0	62,464	11,351	0	11,351	73,815	
1991	79,104	0	0	0	79,104	13,705	0	13,705	92,809	
1992	93,766	0	0	0	93,766	15,342	0	15,342	109,108	
1993	109,083	0	0	0	109,083	17,019	0	17,019	126,102	
1994	123,284	0	0	0	123,284	18,573	0	18,573	141,857	
1995	137,277	0	0	0	137,277	18,392	0	18,392	155,670	
1996	148,186	0	0	0	148,186	18,247	0	18,247	166,433	
1997	147,579	0	0	0	147,579	13,711	0	13,711	161,290	
1998 ¹	416,504	0	2,700	2,802	422,006	42,461	0	42,461	464,467	
1999	438,578	0	3,134	4,450	446,162	33,988	0	33,988	480,150	
2000	482,052	522	2,846	3,168	488,588	30,411	30	30,441	519,029	
2001	548,419	6,960	3,195	0	558,574	30,314	475	30,788	589,362	
2002	623,350	17,955	3,779	0	645,083	30,323	700	31,022	676,106	
2003	657,095	24,167	4,425	0	685,687	30,170	515	30,686	716,373	
2004	695,188	30,502	5,111	0	730,800	30,898	1,230	32,129	762,929	
2005	716,133	45,124	6,215	0	767,472	31,715	2,788	34,503	801,975	
2006	703,958	61,524	8,885	0	774,367	29,832	2,869	32,701	807,068	
2007	710,180	73,145	8,514	0	791,839	27,816	3,575	31,391	823,230	
2008	695,015	80,914	8,634	0	784,563	30,682	6,578	37,260	821,823	
2009	867,541	88,061	8,959	0	964,561	40,807	7,485	48,291	1,012,852	
2010	1,125,599	92,877	22,197	0	1,240,674	67,268	9,798	77,066	1,317,740	
2011	1,521,279	118,119	10,814	0	1,650,212	108,449	21,528	129,977	1,780,189	
2012	1,919,834	210,389	6,646	0	2,136,870	34,770	11,940	46,710	2,183,580	
2013	1,607,107	179,885	2,690	0	1,789,682	0	567	567	1,790,249	
2014	1,491,958	137,330	0	0	1,629,287	0	640	640	1,629,928	
2015	1,390,695	118,933	0	0	1,509,628	0	447	447	1,510,075	
2016	1,417,852	103,308	0	0	1,521,160	0	486	486	1,521,646	
2017	1,193,505	84,192	0	0	1,277,697	0	238	238	1,277,935	
2018	1,067,157	75,134	0	0	1,142,290	0	256	256	1,142,546	

Notes: Data for 2012-2017 were updated to account for true-ups.

¹ Effective in 1998, the federal Lifeline support mechanism was expanded so that a basic level of assistance would be provided in all states. Further, the basic level of federal support was increased in 1998.

² Tribal Lifeline subscribers also receive General support which is currently \$9.25 per subscriber. This amount is not included in Additional Tribal support.

³ TLS is an abbreviation for toll limitation service.

Carriers no longer charge a residential Presubscribed Interexchange Carrier Charge (PICC) as of July 1, 2000.
Source: Universal Service Administrative Company.

Table 2.3 – Low–Income Claims by State: 2018 (in Thousands of Dollars)

State of Jurisaction General Additional Tribal Vision Vi	G	I	Lifeline	Link	Up	a 1	T . 1
Abska	State or Jurisdiction				_	TLS 1	Total
American Samone 106 0 0 0 0 0 0 0 0 0	Alabama	\$14,273	\$241	\$0	\$0	\$0	\$14,513
Arizona 21,467 13,952 0 139 0 35,558 Arizona 21,467 13,952 0 0 0 0 9,973 California 1818,13 236 0 0 0 0 7,242 Connecticut 9,492 0 0 0 0 0 0 7,242 Connecticut 9,492 0 0 0 0 0 0 2,264 Delivare 2,883 0 0 0 0 0 0 2,288 Delivare 2,883 0 0 0 0 0 0 2,264 Delivare 3,8265 0 0 0 0 0 3,8365 Gordina 101 0 0 0 0 0 3,8365 Guam 101 0 0 0 0 0 1,238 Idaho 1,667 88 0 0 0 1,233 Idaho 1,667 88 0 0 0 1,755 Illinois 2,959 0 0 0 0 0 2,956 Indiana 17,604 0 0 0 0 0 2,956 Indiana 17,604 0 0 0 0 0 1,760 Idova 5,938 2 0 0 0 0 0 5,548 Kentucky 18,256 0 0 0 0 0 5,548 Kentucky 18,256 0 0 0 0 0 1,825 Louisiana 2,122 0 0 0 0 0 0 1,825 Illinois 2,762 7 0 0 0 0 1,825 Illinois 1,867 8 0 0 0 0 1,825 Illinois 1,8119 0 0 0 0 0 1,825 Illinois 1,835 2 0 0 0 0 0 2,966 Illinois 1,825 0 0 0 0 0 0 0 1,825 Illinois 1,825 0 0 0 0 0 0 0 0 1,825 Illinois 1,825 0 0 0 0 0 0 0 1,825 Illinois 1,835 2 0 0 0 0 0 0 0 1,825 Illinois 1,835 2 0 0 0 0 0 0 0 1,825 Illinois 1,835 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Alaska	2,960	7,195	0	9	0	10,165
Arkansas 9,372 2 0 0 0 0, 9,373 Colfornia 1818.13 236 0 0 0 0 182.056 Colorado 7,424 0 0 0 0 0 0 7,424 Connecticut 9,492 0 0 0 0 0 0 9,929 Delavare 2,883 0 0 0 0 0 0 2,883 Delatica of Columbia 2,364 0 0 0 0 0 0 2,883 Delatica of Columbia 2,364 0 0 0 0 0 0 2,885 Delatica of Columbia 78,352 0 0 0 0 0 0 78,555 Georgia 88,265 0 0 0 0 0 0 0 0 0 100 Guaran 1011 0 0 0 0 0 0 100 Hawaii 948 254 0 0 0 0 0 1,203 Hawaii 948 254 0 0 0 0 1,203 Hawaii 940 1,204 1,2	American Samoa	106	0	0	0	0	106
California	Arizona	21,467	13,952	0	139	0	35,558
Colorando Colora	Arkansas	9,372	2	0	0	0	9,373
Connecticut 9,9492 0 0 0 0 0 9,9498 Delware 2,883 0 0 0 0 0 0 0 2,288 District of Columbia 2,364 0 0 0 0 0 78,352 Corgia 78,352 0 0 0 0 0 78,352 Georgia 38,265 0 0 0 0 0 0 38,366 Guam 101 0 0 0 0 0 10 Idaho 1,667 88 0 0 0 1,20 Idaho 1,667 88 0 0 0 1,25 Idaho 1,667 88 0 0 0 1,25 Idaho 1,760 88 0 0 0 1,25 Idaho 1,760 88 0 0 0 1,755 Indiana 17,604 0 0 0 0 0 1,75 Idaho 1,760 4 0 0 0 0 1,75 Idaho 1,760 4 0 0 0 0 0 1,75 Idaho 1,760 4 0 0 0 0 0 1,75 Idaho 1,8266 0 0 0 0 0 0 1,75 Idaho 1,8266 0 0 0 0 0 0 0 1,825 Louisiana 2,2122 0 0 0 0 0 0 1,825 Louisiana 2,2122 0 0 0 0 0 0 1,825 Louisiana 2,2162 7 0 0 0 0 1,825 Idaho 1,8119 0 0 0 0 0 1,825 Idaho 1,8119 0 0 0 0 0 1,826 Idaho 1,8119 0 0 0 0 0 1,826 Idaho 1,836 0 0 0 0 1,836 Idaho 1,836 0 0 0 0 0 1,838 Idaho 1,836 0 0 0 0 0 0 1,838 Idaho 1,836 0 0 0 0 0 1,838 Idaho 1,836 0 0 0 0 0 0 1,838 Idaho 1,836 0 0 0 0 0 0 0 1,838 Idaho 1,836 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	California	181,813	236	0	0	0	182,050
Delayare	Colorado	7,424	0	0	0	0	7,424
District of Columbin	Connecticut	9,492	0	0	0	0	9,492
District of Columbin	Delaware	2,883	0	0	0	0	2,883
Fibrida	District of Columbia		0	0		0	2,364
Georgia	Florida		0	0	0	0	78,352
Guam	Georgia		0	0	0	0	
Hawaii 948 254 0 0 0 1 1,202 Idaho 1,667 88 0 0 0 0 1,755 Illimos 29,509 0 0 0 0 0 0 29,506 Indiana 17,604 0 0 0 0 0 0 17,604 Indiana 17,604 0 0 0 0 0 0 5,948 Kansa 5,938 2 0 0 0 0 0 5,948 Kansas 5,076 4 0 0 0 0 0 0 18,825 Kentucky 18,256 0 0 0 0 0 0 18,825 Louisiana 22,122 0 0 0 0 0 0 22,123 Maine 2,762 7 0 0 0 0 0 2,766 Maryland 18,119 0 0 0 0 0 18,115 Massachusetts 18,625 0 0 0 0 0 0 18,025 Mischigan 43,030 83 0 0 0 18,025 Mississippi 10,338 224 0 0 0 0 0 0 1,038 Mississippi 10,338 224 0 0 0 0 0 1,038 Mississippi 10,338 224 0 0 0 0 0 1,238 Missouri 12,835 2 0 0 0 0 0 0 1,238 Missouri 12,835 2 0 0 0 0 0 0 0 1,283 Montana 536 795 0 7 0 1,338 Nevada 9,808 206 0 0 0 0 0 1,238 Nevada 9,808 206 0 0 0 0 0 1,298 New Hampshite 1,290 0 0 0 0 0 1,298 New Hampshite 1,290 0 0 0 0 0 1,297 New Jersey 22,775 0 0 0 0 0 0 2,277 New Mexico 10,031 9,414 0 80 0 1,252 New York 88,609 0 0 0 0 0 2,277 New Mexico 10,031 9,414 0 80 0 0 2,277 North Dakota 620 596 0 0 0 0 0 2,277 North Dakota 620 596 0 0 0 0 0 2,277 North Dakota 18,700 38,047 0 12 0 5,675 Orgon 5,529 25 0 0 0 0 0 5,530 North Carolina 14,630 3 0 0 0 0 4,529 Oklahoma 18,700 38,047 0 12 0 5,675 Orgon 5,520 0 0 0 0 0 0 1,433 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 0 1,435 North Carolina 14,630 3 0 0 0 0 0 0 0 1,436 North Carolina 14,630 3 0 0 0 0 0 0 1,436 North Carolina 14,630 3 0 0 0 0 0 0 0 1,436 North Carolina 14,630 3 0 0 0 0 0 0 0 0 1,436 North Carolina 14,630 0 0 0 0 0 0 0 1,436 North Carolina 14,630 0 0 0 0 0 0 1,436 North Carolina 14,630 0 0 0 0 0 0 1,436 North Carolina	_	· ·	0			0	101
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Wyoming 224 420 0 0 0 645	West Virginia		0	0	0	0	7,460
Wyoming 224 420 0 0 0 645	Wisconsin		653	0	1	0	16,768
	Wyoming			0	0	0	645
	Total	\$1,067,157	\$75,134	\$0	\$256	\$0	\$1,142,546

Notes: These dollars represent submitted claims to Universal Service Administrative Company (USAC) for the time period January 2018 through December 2018, including true-ups reported through September 2019. Tribal Lifeline subscribers also receive General support which is currently \$9.25 per subscriber. This amount is not included in Tribal support. For Link Up, the payments and subscribers for the two categories of recipients are kept separate.

¹ TLS is an abbreviation for toll limitation service.

Table 2.4 – Low–Income Claims Received by ILECs and Competitive ETCs (in Thousands of Dollars)

	ILECs	Competitive ETCs	Total	Percent Competitive ETCs
1998	\$464,207	\$260	\$464,467	0.1 %
1999	479,353	796	480,150	0.2
2000	517,901	1,128	519,029	0.2
2001	585,790	3,572	589,362	0.6
2002	663,009	13,097	676,106	1.9
2003	693,378	22,994	716,373	3.2
2004	723,580	39,349	762,929	5.2
2005	734,344	67,631	801,975	8.4
2006	707,135	99,933	807,068	12.4
2007	701,990	121,240	823,230	14.7
2008	674,805	147,017	821,823	17.9
2009	642,644	370,208	1,012,852	36.6
2010	595,604	722,136	1,317,740	54.8
2011	532,226	1,247,963	1,780,189	70.1
2012	450,652	1,732,928	2,183,580	79.4
2013	295,982	1,494,267	1,790,249	83.5
2014	224,014	1,405,914	1,629,928	86.3
2015	165,721	1,344,354	1,510,075	89.0
2016	134,051	1,387,596	1,521,646	91.2
2017	104,675	1,173,261	1,277,935	91.8
2018	79,753	1,062,794	1,142,546	93.0

Notes: Competitive Eligible Telecommunications Carriers (ETC) include both wireless and wireline carriers. Data for 2012-2017 were updated to account for true-ups.

Table 2.5 – Low–Income Claims by Program and by Affiliated Entities: 2018 (in Thousands of Dollars)

Rank	Affiliated Entity Name ¹	Lifeline Support	Link Up Support	Total Low-Income Support	Percent of Total	Cumulative Percent of Total
1	SoftBank Corp. ²	\$322,496	\$0	\$322,496	28.2%	28.2%
2	América Móvil ³	291,058	0	291,058	25.5	53.7
3	Quadrant Holdings Group LLC	168,302	0	168,302	14.7	68.4
4	Telrite Corporation	43,038	0	43,038	3.8	72.2
5	AT&T Inc.	32,379	0	32,379	2.8	75.0
6	Smith Bagley, Inc.	27,192	212	27,404	2.4	77.4
7	I-Wireless, LLC	26,308	0	26,308	2.3	79.7
8	Assist Wireless, LLC	24,409	0	24,409	2.1	81.9
9	TSC Acquisition Corporation	21,678	0	21,678	1.9	83.8
10	Global Connection Inc. of America	20,400	0	20,400	1.8	85.6
11	Amerimex Communications Corporation	17,369	0	17,369	1.5	87.1
12	Boomerang Wireless, LLC	15,797	0	15,797	1.4	88.5
13	Telecom Service Bureau, Inc.	13,537	0	13,537	1.2	89.6
14	True Wireless, LLC	12,011	0	12,011	1.1	90.7
15	Frontier Communications Corporation	11,584	0	11,584	1.0	91.7
16	Verizon Communications Inc.	10,507	0	10,507	0.9	92.6
17	GCI Holdings LLC	9,231	2	9,233	0.8	93.4
18	Air Voice Inc.	7,363	0	7,363	0.6	94.1
19	CenturyLink, Inc.	7,285	0	7,285	0.6	94.7
20	ATN International, Inc.	5,328	0	5,328	0.5	95.2
21	American Broadband and Telecommunications Comp	5,204	0	5,204	0.5	95.6
22	Birch Capital, LLC	3,790	0	3,790	0.3	96.0
23	PRWireless Holdco, LLC	3,545	0	3,545	0.3	96.3
24	Cox Communications, Inc.	3,379	0	3,379	0.3	96.6
25	TerraCom/YourTel America	2,887	0	2,887	0.3	96.8
26	Windstream Holdings, Inc.	2,612	0	2,612	0.2	97.1
27	NewPhone Wireless, LLC	2,484	0	2,484	0.2	97.3
28	North American Local, LLC	2,280	0	2,280	0.2	97.5
29	Consolidated Communications, Inc.	1,439	0	1,439	0.1	97.6
30	Amvensys Telecom Holdings	1,254	0	1,254	0.1	97.7
	Other Carriers	26,145	42	26,188	2.3	100.0
	All Affiliated Entities	\$1,142,290	\$256	\$1,142,546	100.0%	100.0%

¹ Affiliated entities include all commonly-controlled or commonly-owned affiliates as of year-end 2018.

² SoftBank Corp. owns Sprint and Virgin Mobile USA.

³ América Móvil owns TracFone Wireless.

Table 2.6 – Total Monthly Lifeline Subscribers Since January 2014

	Tribal Lifeline	Total Lifeline		
Month	Subscribers	Non-Tribal Lifeline Subscribers	Subscribers	
T 14				
January-14	534,265	13,438,179	13,972,444	
February-14	534,449	13,498,417	14,032,866	
March-14	520,977	13,449,593	13,970,570	
April-14	518,109	13,351,478	13,869,587	
May-14	496,023	13,193,969	13,689,992	
June-14	496,942	12,959,246	13,456,188	
July-14	501,043	12,767,174	13,268,217	
August-14	499,367	12,759,889	13,259,256	
September-14	491,650	12,849,211	13,340,861	
October-14	490,713	12,737,477	13,228,190	
November-14	481,656	12,375,654	12,857,310	
December-14	463,527	11,935,674	12,399,201	
January-15	434,854	11,183,276	11,618,130	
February-15	428,697	11,230,410	11,659,107	
March-15	426,116	11,363,501	11,789,617	
April-15	421,098	11,525,824	11,946,922	
May-15	412,193	11,803,831	12,216,024	
June-15	417,128			
July-15	421,602	12,020,132 12,319,663	12,437,260 12,741,265	
	· ·			
August-15	414,799	12,571,310	12,986,109	
September-15	415,919	12,777,065	13,192,984	
October-15	411,012	12,888,593	13,299,605	
November-15	404,911	12,861,965	13,266,876	
December-15	406,145	12,831,100	13,237,245	
January-16	390,648	12,394,482	12,785,130	
February-16	391,396	12,361,798	12,753,194	
March-16	397,227	12,434,109	12,831,336	
April-16	401,890	12,565,514	12,967,404	
May-16	405,125	12,635,897	13,041,022	
June-16	348,927	12,725,898	13,074,825	
July-16	338,128	12,790,138	13,128,266	
August-16	332,166	12,429,161	12,761,327	
September-16	332,184	12,493,850	12,826,034	
October-16	334,186	12,396,947	12,731,133	
November-16	327,363	12,189,538	12,516,901	
December-16	316,798	11,676,582	11,993,380	
January-17	300,042	11,044,087	11,344,129	
February-17	301,457	10,884,928	11,186,385	
March-17	301,256	10,721,399		
April-17	297,027	10,721,399	11,022,655	
•	· · · · · · · · · · · · · · · · · · ·		10,810,529	
May-17	298,087	10,462,162	10,760,249	
June-17	297,552	10,482,681	10,780,233	
July-17	291,556	10,387,713	10,679,269	
August-17	290,287	10,292,766	10,583,053	
September-17	287,391	10,214,886	10,502,277	
October-17	285,085	10,279,519	10,564,604	
November-17	283,024	10,185,315	10,468,339	
December-17	282,366	10,090,286	10,372,652	
January-18	279,035	10,031,297	10,310,332	
February-18	277,084	9,922,430	10,199,514	
March-18	271,198	9,827,627	10,098,825	
April-18	268,346	9,607,239	9,875,585	
May-18	261,189	9,462,031	9,723,220	
June-18	258,780	9,342,780	9,601,560	
July-18	257,190	9,193,337	9,450,527	
August-18	255,205	9,098,299	9,353,504	
September-18	255,590	9,049,842	9,305,432	
October-18	248,643		9,303,432	
	· · · · · · · · · · · · · · · · · · ·	9,029,189		
November-18	248,509	8,875,977	9,124,486	
December-18	239,200	8,814,935	9,054,135	
January-19	238,438	8,759,525	8,997,963	
February-19	234,349	8,555,987	8,790,336	
March-19	225,803	8,482,304	8,708,107	
April-19	224,868	8,419,752	8,644,620	
May-19	224,586	8,367,612	8,592,198	
		8,292,352		

Table 2.7 – Lifeline De–Enrollments or Scheduled De–Enrollments as a Result of Recertification by State for 2018

(in Thousands)

State	As a result of ETC recertification attempt ¹	As a result of attempt by State Administrator, ETC Access to Eligibility Data, or USAC ²	Total
Alabama	44	1	44
Alaska	7	1	7
American Samoa	0	0	0
Arizona	58	0	59
Arkansas	14	1	15
California	0	547	547
Colorado	0	0	0
Connecticut	15	1	16
Delaware	3	0	3
District of Columbia	10	0	10
Florida	96	5	102
Georgia	22	0	23
Guam	0	1	1
Hawaii	2	0	2
Idaho	0	1	1
Illinois	36	0	37
Indiana	40	1	41
Iowa	20	0	21
Kansas	17	1	18
Kentucky	50	2	52
Louisiana	18	1	19
Maine	6	2	8
Maryland	29	0	29
Massachusetts	24	3	27
Michigan	45	2	47
Minnesota	13	4	17
Mississippi	35	0	35
Missouri	19	1	20
Montana	0	0	0
Nebraska	0	1	1
Nevada	8	18	26
New Hampshire	5	0	5
New Jersey	25	0	25
New Mexico	15	0	15
New York	68	17	84
North Carolina	4	2	6
North Dakota	1	1	2
Northern Mariana Isl	1	0	1
Ohio	105	4	109
Oklahoma Oregon	26 0	36	62
-	58	3	
Pennsylvania Puerto Rico	130	30	61 161
Rhode Island	1		
	4 37	1 1	5 38
South Carolina South Dakota	0	3	38
Tennessee	3	3 1	4
Texas	0	1 71	71
Utah	4	0	4
Vermont	2	0	
Virgin Islands	1	0	2
	39		
Virginia Washington		0	39
Washington	15	5	20
West Virginia	22	0	23
Wisconsin	19	0	19
Wyoming	0	0	0
Total	1,216	775	1,991

¹ Section G of the 2018 FCC Form 555.

² Section K of the 2018 FCC Form 555.

Table 2.8 – Low–Income Subscribers by State in 2018 by Facilities Type of Carrier (in Thousands)

State	Non-Tribal		Tribal				All		
State	Facilitie	es-Based	Total	Facilitie	s-Based	Total	Facilities-Based		Total
	No	Yes	Total	No	Yes	Total	No	Yes	Total
Alabama	71	57	128	1	#	1	71	57	129
Alaska	0	#	#	0	27	27	0	27	27
American Samoa	0	1	1	0	0	0	0	1	1
Arizona	91	55	146	1	47	47	92	102	193
Arkansas	61	23	84	0	#	#	61	23	84
California	819	818	1,637	1	#	1	820	818	1,638
Colorado	47	20	67	0	0	0	47	20	67
Connecticut	38	48	86	0	0	0	38	48	86
Delaware	7	19	26	0	0	0	7	19	26
District of Columbia	17	4	21	0	0	0	17	4	21
Florida	291	415	706	0	0	0	291	415	706
Georgia	263	81	345	0	0	0	263	81	345
Guam	0	1	1	0	0	0	0	1	1
Hawaii	6	2	8	1	0	1	7	2	9
Idaho	10	4	15	#	#	#	11	4	15
Illinois	174	92	266	0	0	0	174	92	266
Indiana	115	44	159	0	0	0	115	44	159
Iowa	39	15	53	#	0	#	39	15	53
Kansas	38	7	46	#	#	#	38	7	46
Kentucky	143	21	164	0	#	#	143	21	164
Louisiana	166	33	199	#	0	#	166	33	199
Maine	17	7	25	0	#	#	17	7	25
Maryland	105	58	163	0	0	0	105	58	163
Massachusetts	59	109	168	0	0	0	59	109	168
Michigan	228	160	387	#	#	#	228	160	388
Minnesota	48	28	76	1	2	3	49	30	79
Mississippi	48	45	93	1	#	1	48	45	93
Missouri	100	16	116	0	#	#	100	16	116
Montana	0	2	2	0	3	3	0	5	5
Nebraska	1	5	5	0	#	#	1	5	6
Nevada	47	40	88	#	#	1	48	41	88
New Hampshire	8	3	12	0	0	0	8	3	12
New Jersey	75	130	205	0	0	0	75	130	205
New Mexico	18	40	58	0	32	32	18	73	90
New York	348	423	771	0	#	#	348	423	771
North Carolina	117	120	237	0	#	#	117	120	237
North Dakota	#	3	3	1	2	2	1	5	6
Northern Mariana Islands	0 279	2 129	2 408	0	0	0	0 279	2 129	2 408
Ohio Oklahoma	35	3	39	119	11	130	154	129	169
Oregon	2	48	50	#	#	#	2	48	50
Pennsylvania	325	103	428	0	#	#	325	103	428
Puerto Rico	390	89	479	#	0	#	390	89	428
Rhode Island	17	19	36	#	0	#	17	19	36
South Carolina	94	37	132	#	#	#	95	37	132
South Caromia South Dakota	1	4	4	0	3	3	1	7	8
Tennessee	124	100	224	0	<i>3</i> #	#	124	100	224
Texas	329	155	484	0	0	0	329	155	484
Utah	19	5	25	#	2	2	19	7	26
Vermont	6	5	11	0	0	0	6	5	11
Virgin Islands	#	1	1	0	0	0	#	1	1
Virginia Virginia	60	57	117	0	0	0	60	57	117
Washington	104	34	138	1	1	2	104	35	139
West Virginia	55	12	67	0	0	0	55	12	67
Wisconsin	124	19	143	#	2	2	124	21	145
Wyoming	#	#	1	1	#	1	2	#	2
Total	5,583	3,772	9,355	127	133	260	5,709	3,905	9,615

Notes: # Indicates > 0 subscribers and less than 500

Non-facilities based carriers have either submitted a compliance plan with the FCC that they are not a facilities-based provider or have been approved to be a non-facilities-based provider by the FCC. Other carriers are assumed to be facilities-based.

Section 3 – High–Cost Program

The federal universal service High-Cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. The program fulfills this universal service goal by allowing eligible carriers who serve these areas to recover some of their costs from the federal Universal Service Fund (USF). In 2011, the Commission adopted the *USF/ICC Transformation Order*, which comprehensively reformed and modernized the high-cost program to support networks capable of providing both voice *and* broadband services.³ Among other actions taken in the *USF/ICC Transformation Order*, the Commission adopted a framework, known as the Connect America Fund (CAF).⁴

For price-cap areas (those areas of the United States and its territories historically served by larger incumbent local exchange carriers (ILEC)), there are several CAF programs: CAF Phase I (completed); CAF Phase II (model-based support), CAF Intercarrier Compensation (CAF ICC), the Rural Broadband Experiments, and the CAF Phase II auction.

For rate-of-return areas (typically the more rural parts of the United States), the Commission established two paths for providers to receive high-cost support for building, supporting and maintaining voice and broadband networks — 1) model-based support as determined by the Alternative Connect America Cost Model (A-CAM) or 2) legacy cost-based mechanisms as reformed to allow support for standalone broadband connections.⁵ The Commission also created an Alaska Plan to fund voice and broadband services for rate-of-return carriers serving Alaska, due to their unique challenges.⁶

In August 2019, the Commission proposed to establish a Rural Digital Opportunity Fund (RDOF) to direct \$20.4 billion to expand broadband in unserved rural areas. The FCC has sought comment on continuing the expansion of broadband where it's lacking by using an efficient reverse auction that builds on the success of last year's CAF Phase II auction. The Rural Digital Opportunity Fund would focus on areas in the territories of "price cap" carriers, along with areas that were not won in the CAF Phase II auction and other areas that do not currently receive any high-cost universal service support. In September 2019, the Commission approved \$950 million to harden, improve, and expand broadband networks in Puerto Rico and U.S. Virgin Islands.⁷

³ See Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC 17663 (2011) (USF/ICC Transformation Order), aff'd In re: FCC 11-161, 753 F.3d 1015 (10th Cir. 2014).

⁴ See https://www.fcc.gov/general/connect-america-fund-caf.

⁵ See Connect America Fund; ETC Annual Reports and Certifications; Establishing Just and Reasonable Rates for Local Exchange Carriers; Developing a Unified Intercarrier Compensation Regime; WC Docket Nos. 10-90, 14-58, and 07-135, CC Docket No. 01-92; Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176 (rel. Dec. 12, 2018).

⁶ Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10142, para. 6 (2016) (Alaska Plan Order).

⁷ The Uniendo a Puerto Rico Fund and the Connect USVI Fund; Connect America Fund; ETC Annual Reports and Certifications; WC Docket Nos. 18-143, 10-90, and 14-58; Report and Order and Order on Reconsideration, FCC 19-95 (rel. Sept. 30, 2019).

As in the 2018 Report, all support dollar values in these tables reflect claims as opposed to disbursements. These claims are subject to true-ups. For example, claims for support in 2015 may be trued-up in 2015; such a true-up is reflected in the year supported (2012), not in the year the true-up was made (2017). Data on changes in local exchange carriers and High-Cost ILEC support data by study area are available at http://www.fcc.gov/encyclopedia/neca-usac-data-0. Please note that the information provided in this report is based upon the program rules through June 30, 2019.

⁸ A "claim" is the distribution of funds *in support of a specified time period*. These funds were distributed in that period and possibly a later time period. The disbursements in later time periods are the result of true-ups to resolve differences between initial payments and disbursements necessitated by revisions to supporting data made at that later date. Claims are positive values with the possible exceptions of CAF Intercarrier Compensation (CAF ICC) support and Connect America Cost Model (CACM) support. CAF ICC claims can be negative when a study area's actual access recovery charge revenues in the prior two years substantially exceed the forecasted amount. Some CACM initial claims were negative as a result of true-ups when Frozen High-Cost support exceeded CACM support.

⁹ A "disbursement" is the distribution of funds in a specified time period. These funds were distributed in support of high-cost mechanisms in that period and possibly in support of earlier time periods. The disbursements in support of earlier time periods are the result of true-ups to resolve differences between initial payments and disbursements necessitated by revisions to supporting data. It is possible for disbursements to be negative, thus requiring the recipient to return dollars to the high-cost fund. Some negative disbursements are performance default payments (see the file "HC Performance Default Payments" in the Supplementary Material). Performance default payments not included in claims. Because carriers chose A-CAM II (Alternative Connect America Cost Model) in the middle of 2019 but then received A-CAM II support for the whole calendar year, these carriers' disbursement data for the first part of the year shows legacy support payments (i.e., HCLS, BLS and SVS), which were then offset against their A-CAM payments for the same portion of the year in their August A-CAM prior period adjustments.

Table 3.1 – High–Cost Support Fund Claim History (in Millions of Dollars)

Year	A-CAM / AK Plan Carriers	Legacy Carriers	Rate-of-Return Carriers	Price Cap Carriers	ILEC Total	Competitive ETC Total	Total Support
2009	\$ 0	\$ 1,850	\$ 1,850	\$ 1,183	\$ 3,033	\$ 1,299	\$ 4,331
2010	0	1,928	1,928	1,108	3,036	1,242	4,278
2011	0	1,957	1,957	1,029	2,986	1,156	4,142
2012	0	1,961	1,961	1,202	3,163	967	4,130
2013	0	2,014	2,014	1,346	3,360	782	4,142
2014	0	2,041	2,041	1,121	3,162	608	3,769
2015	0	2,059	2,059	1,849	3,908	615	4,524
2016	0	2,056	2,056	1,848	3,904	675	4,579
2017	794	1,587	2,381	1,793	4,174	645	4,819
2018	784	1,668	2,452	1,736	4,188	590	4,777
2019*	1,433	1,261	2,694	1,663	4,357	614	4,970

Notes: Details may not appear to add up to totals due to rounding. Data for 2012 - 2018 were updated to account for true-ups. A-CAM is an abbreviation for Alternative Connect America Model. ILEC is an abbreviation for Incumbent Local Exchange Carrier. Competitive ETC is an abbreviation for Competitive Eligible Telecommunication Carrier.

^{*} FCC Staff Estimate.

Table 3.2 – High—Cost Support Fund Claim History – Rate of Return (in Millions of Dollars)

Year	High-Cost Loop Support	Safety Net Additive Support	Safety Valve Support	Local Switching Support	CAF-ICC from A-CAM / AK Plan Carriers ²	CAF-ICC from Legacy Carriers ²	Broadband Loop Support ¹	Alternative Connect America Model	Alternative Connect America Model II	Alaska Plan	Total Support
2009	\$ 798	\$ 29	\$ 5	\$ 239	\$ 0	\$ 0	\$ 780	\$ 0	\$ 0	\$ 0	\$ 1,850
2010	817	49	6	226	0	0	830	0	0	0	1,928
2011	806	65	6	218	0	0	862	0	0	0	1,957
2012	791	48	6	109	0	168	839	0	0	0	1,961
2013	767	31	6	0	0	342	868	0	0	0	2,014
2014	745	28	5	0	0	355	906	0	0	0	2,041
2015	716	20	5	0	0	377	941	0	0	0	2,059
2016	691	12	5	0	0	395	953	0	0	0	2,056
2017	556	4	5	0	149	244	778	591	0	54	2,381
2018	578	0	5	0	146	244	841	584	0	54	2,452
2019*	412	0	2	0	218	170	677	642	519	54	2,694

Note: Details may not appear to add up to totals due to rounding. Data for 2012 - 2018 were updated to account for true-ups.

^{*} FCC Staff Estimate.

Interstate Common Line Support was expanded to include standalone broadband in January 2017 and became Connect America Fund Broadband Loop Support (CAF BLS).

Intercarrier Compensation was divided into A-CAM/AK and Legacy categories. A-CAM is defined as Alternative Connect America Cost Model. *Source*: Universal Service Administrative Company filings to the FCC with prior-period adjustments through August 2019.

Table 3.3 – High–Cost Support Fund Claim History – Price Cap (in Millions of Dollars)

Year	High-Cost Loop Support	Safety Net Additive Support	High-Cost Model Support	Interstate Access Support	Local Switching Support	Frozen High-Cost Support ¹	Intercarrier Compensation Support	Connect America Cost Model	Incremental Support	Interstate Common Line Support	CAF II Auction	Total Support
2009	\$ 209	\$ 9	\$ 169	\$ 456	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 290	\$ 0	\$ 1,183
2010	145	11	156	455	61	0	0	0	0	280	0	1,108
2011	100	11	145	441	63	0	0	0	0	270	0	1,029
2012	0	0	0	0	1	1,037	46	0	112	5	0	1,202
2013	0	0	0	0	0	1,034	90	0	220	2	0	1,346
2014	0	0	0	0	0	1,035	72	0	11	2	0	1,121
2015	0	0	0	0	0	641	49	1,159	0	0	0	1,849
2016	0	0	0	0	0	162	38	1,648	0	0	0	1,848
2017	0	0	0	0	0	173	30	1,590	0	0	0	1,793
2018	0	0	0	0	0	170	22	1,544	0	0	0	1,736
2019*	0	0	0	0	0	127	15	1,518	0	0	3	1,663

Note: Details may not appear to add up to totals due to rounding. Data for 2012-2018 were updated to account for true-ups.

^{*} FCC Staff Estimate.

Hurricane support for Puerto Rico and Virgin Islands is included in Frozen High-Cost Support.

Source: Universal Service Administrative Company filings to the FCC with prior-period adjustments through August 2019.

Table 3.4 – High–Cost Support Fund Claim History – Competitive Eligible Telecommunications Carriers (in Millions of Dollars)

Year	High-Cost Loop Support	Safety Net Additive Support	Safety Valve Support	High-Cost Model	Interstate Access Support	Local Switching Support	Frozen High-Cost Support ¹	Remote Alaska Support	Mobility Fund Phase I Support	Rural Broadband Experiments	Interstate Common Line Support	Alaska Plan	CAF II Auction	Total Support
2009	\$ 391	\$ 14	\$ 0	\$ 159	\$ 110	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 524	\$ 0	\$ 0	\$ 1,299
2010	358	17	1	155	94	95	0	0	0	0	521	0	0	1,242
2011	307	21	2	146	81	90	0	0	0	0	508	0	0	1,156
2012	7	0	0	0	0	1	889	62	0	0	8	0	0	967
2013	7	0	0	0	0	1	629	62	74	0	8	0	0	782
2014	7	0	0	0	0	1	525	63	4	0	8	0	0	608
2015	2	0	0	0	0	0	513	74	16	8	2	0	0	615
2016	0	0	0	0	0	0	508	78	85	4	0	0	0	675
2017	0	0	0	0	0	0	537	0	31	3	0	74	0	645
2018	0	0	0	0	0	0	509	0	3	3	0	74	0	590
2019*	0	0	0	0	0	0	476	0	0	3	0	74	61	614

Note: Details may not appear to add up to totals due to rounding. Data for 2012-2018 were updated to account for true-ups.

^{*} FCC Staff Estimate.

¹ Hurricane support for Puerto Rico and Virgin Islands is included in Frozen High-Cost Support.

Table 3.5 – High–Cost Support Fund Claims – States: 2018 (in Thousands of Dollars)

State	Rate-of-Return	Price-Cap	ILEC	Competitive ETC	Total	Competitive ETC
	Carriers	Carriers	Total	Total	Support	Share
Alabama	\$ 40,246	\$ 44,503	\$ 84,748	\$ 5,015	\$ 89,764	6 %
Alaska	74,748	19,694	94,442	89,583	184,025	49
American Samoa	1,796	0	1,796	1,619	3,416	47
Arizona	45,075	23,407	68,482	5,266	73,748	7
Arkansas	52,492	56,888	109,380	2,951	112,331	3
California	44,693	99,432	144,124	38	144,163	0
Colorado	23,922	28,976	52,898	6,048	58,946	10
Connecticut	0	439	439	0	439	0
Delaware	0	228	228	0	228	0
Florida	8,451	43,437	51,888	3,143	55,031	6
Georgia	63,447	52,239	115,686	241	115,927	0
Guam	6,438	0	6,438	5,405	11,843	46
Hawaii	0	4,424	4,424	0	4,424	0
Idaho	33,214	12,516	45,730	3,250	48,980	7
Illinois	58,121	51,098	109,218	8,336	117,555	7
Indiana	66,623	51,128	117,752	62	117,814	0
Iowa	114,722	54,351	169,073	29,868	198,941	15
Kansas	115,292	35,958	151,250	20,509	171,759	12
Kentucky	76,873	55,982	132,855	16,209	149,064	11
Louisiana	21,272	39,008	60,281	24,247	84,527	29
Maine	12,384	13,673	26,056	6,661	32,717	20
Maryland	1,350	2,303	3,654	0	3,654	0
Massachusetts	861	1,467	2,328	0	2,328	0
Michigan	42,258	60,513	102,771	4,423	107,194	4
Minnesota	118,733	88,737	207,470	1,935	209,405	1
Mississippi	24,728	61,167	85,895	87,519	173,413	50
Missouri	73,035	91,977	165,012	10,065	175,077	6
Montana	110,544	16,310	126,854	5,206	132,060	4
Nebraska	73,654	23,502	97,156	11,076	108,232	10
Nevada	12,628	3,029	15,657	1,243	16,900	7
New Hampshire	7,810	4,440	12,249	131	12,381	1
New Jersey	624	450	1,075	0	1,075	0
New Mexico	60,050	20,059	80,109	2,718	82,827	3
New York	25,938	30,173	56,111	1,464	57,576	3
North Carolina	47,300	22,284	69,583	1,789	71,372	3
North Dakota	109,596	5,657	115,253	25,395	140,648	18
Northern Mariana Islands	0	2,627	2,627	581	3,209	18
Ohio	23,862	59,930	83,792	0	83,792	0
Oklahoma	114,966	8,836	123,802	26,353	150,155	18
Oregon	50,070	22,140	72,209	11,516	83,725	14
Pennsylvania	17,020	46,084	63,104	0	63,104	0
Puerto Rico	0	52,474	52,474	102,616	155,090	66
Rhode Island	0	30	30	0	30	0
South Carolina	93,474	16,719	110,193	1,579	111,772	1
South Dakota	96,824	9,117	105,941	2,091	108,033	2
Tennessee	57,639	30,764	88,403	668	89,071	1
Texas	176,108	97,242	273,351	9,416	282,767	3
Utah	34,737	4,442	39,179	88	39,267	0
Vermont	12,123	8,818	20,941	0	20,941	0
Virgin Islands	0	23,345	23,345	421	23,766	2
Virginia	35,094	51,070	86,164	1,252	87,416	1
Washington	28,734	36,671	65,405	18,482	83,887	22
West Virginia	10,841	38,068	48,909	8,027	56,936	14
Wisconsin	104,828	95,439	200,267	19,219	219,486	9
Wyoming	26,378	12,901	39,279	5,818	45,097	13
,, joining	2,451,620	1,736,168	4,187,787	589,542	4,777,330	12

Notes: Details may not appear to add up to totals due to rounding.

Table 3.6 – Annual High–Cost Fund Support Claims – Affiliates: 2016 – 2018 (in Millions of Dollars)

						Competitive
Rank	Affiliate's Name ¹	2016	2017	2018	Total	ETC's Share ²
1	AT&T Inc.	\$ 606	\$ 612	\$ 594	\$ 1,812	27 %
2	CenturyLink, Inc.	559	545	530	1,634	0
3	Frontier Communications Corporation	398	361	350	1,110	0
4	Telephone and Data Systems, Inc.	200	208	208	616	50
5	Windstream Holdings, Inc.	216	202	190	607	0
6	América Móvil	63	95	85	243	41
7	Verizon Communications Inc. ³	80	80	80	239	27
8	Consolidated Communications, Inc.	85	77	67	229	0
9	GCI Holdings LLC	74	85	68	227	92
10	Telapex, Inc. ⁴	51	54	54	160	86
11	Deutsche Telekom AG	39	32	28	99	100
12	Golden West Telecommunications Cooperative, Inc.	31	32	35	97	0
13	Rural Telephone Service/Golden Belt	27	31	31	88	38
14	Pioneer Telephone Cooperative (OK)	19	34	34	87	31
15	ATN International, Inc.	31	26	25	82	21

- This column refers to "affiliate name" rather than "holding company" so as to include all entities under common ownership or control, to the extent this information is readily available to the Commission. In most cases, the "affiliate name" is reported by the entity or entities in FCC Form 477. Affiliate groups appear on this list if they are in the top 10 for any of the presented years.
- In the *USF/ICC Transformation Order*, the Commission eliminated the rule providing identical support to competitive ETCs, determining the rule did not provide an "appropriate level of support for the efficient deployment of mobile services in areas that do not support a private business case for mobile voice and broadband." *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17666, 17851-59, para. 502 (2011), *aff'd In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014). The Commission, however, transitioned the elimination of that support over five years, beginning on July 1, 2012. *See USF/ICC Transformation Order*, 26 FCC Rcd at 17853, para. 513. This phase down of support for competitive ETCs was halted at 40 percent on June 30, 2014 under the terms adopted in the *USF/ICC Transformation Order* because the Mobility Fund Phase II is not yet operational. *See id.* at 17832, para. 519.
- Verizon Wireless and Sprint Nextel, in separate transactions in 2008, each committed to phase down their competitive ETC (Eligible Telecommunications Carrier) high-cost universal service support in 20 percent increments over five years, beginning in 2009. These commitments were not implemented until the Commission released an Order on August 31, 2010 providing guidance to the Universal Service Administrative Company regarding the methodology to achieve those commitments. See High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC, WC Docket No. 05-337, CC Docket No. 96-45, Order and Notice of Proposed Rulemaking, 25 FCC Rcd 12854 (2010). To the extent that Verizon Wireless received support prior to the August 31, 2010 Order that should have been surrendered under its commitment, USAC reclaimed that support in 2010 and 2011.
- Telapex, Inc. owns C Spire Wireless.
 Source: Universal Service Administrative Company.

Table 3.7 – High–Cost Support Fund Claims – Affiliates: 2018 (in Millions of Dollars)

Rank	Affiliate's Name ¹	Rate-of- Return Carriers	Price-Cap Carriers	ILEC Support	Competive ETC Support	Total Support	Competitive ETC's Share ²
1	AT&T Inc.	\$ 0	\$ 432	\$ 432	\$ 162	\$ 594	27 %
2	CenturyLink, Inc.	0	530	530	0	530	0
3	Frontier Communications Corporation	0	350	350	0	350	0
4	Telephone and Data Systems, Inc.	112	0	112	95	208	46
5	Windstream Holdings, Inc.	0	190	190	0	190	0
6	América Móvil	0	52	52	33	85	38
7	Verizon Communications Inc.	0	58	58	22	80	27
8	GCI Holdings LLC	6	0	6	62	68	91
9	Consolidated Communications, Inc.	0	67	67	0	67	0
10	Telapex, Inc.	8	0	8	46	54	84
11	Golden West Telecommunications Cooperative, Inc.	35	0	35	0	35	0
12	Pioneer Telephone Cooperative (OK)	25	0	25	9	34	26
13	LICT Corporation	31	0	31	0	31	0
14	Rural Telephone Service/Golden Belt	19	0	19	11	31	37
15	Triangle Telephone Cooperative Assn., Inc.	28	0	28	0	28	0
16	Deutsche Telekom AG	0	0	0	28	28	100
17	Hargray Communications Group, Inc.	27	0	27	0	27	0
18	Arvig Enterprises, Inc.	26	0	26	0	26	0
19	3 Rivers Telephone Cooperative, Inc.	26	0	26	0	26	0
20	ATN International, Inc.	0	23	23	2	25	7
21	Nemont Telephone Cooperative, Inc.	17	0	17	4	21	19
22	Copper Valley Telephone Cooperative	12	0	12	9	21	42
23	Matanuska Telephone Association, Inc.	21	0	21	0	21	0
24	American Broadband Communications et al.	19	0	19	1	20	5
25	Alaska Communications Systems Holdings, Inc.	0	20	20	0	20	0

Note: Details may not add up due to rounding.

This column refers to "affiliate name" rather than "holding company" so as to include all entities under common ownership or control, to the extent this information is readily available to the Commission. In most cases, the "affiliate name" is reported by the entity or entities in FCC Form 477.

² See Table 3.6 n.2.

Section 4 – E–Rate (Schools and Libraries)

The Schools and Libraries universal service support program, commonly known as the E-Rate program, helps schools and libraries obtain affordable broadband Internet access, internal network connections, and telecommunications services.

Eligible schools, school districts and libraries may apply individually or as part of a consortium. Funding may be requested under two categories of eligible services: category one services to a school or library (e.g., data transmission services and Internet access), and category two services that deliver Internet access within schools and libraries (e.g., internal connections, basic maintenance of internal connections, and managed internal broadband services). Discounts for support depend on the level of poverty, as calculated by eligibility for a free or reduced-price lunch or other federally-approved alternative mechanism, and whether the school or library is located in an urban or rural area. The discounts range from 20% to 90% of the costs of eligible services. E-Rate program funding is based on demand up to an annual Commission-established cap, which is \$4.15 billion for 2019 and is adjusted annually for inflation.

The E-Rate program is administered by the Universal Service Administrative Company (USAC) under the direction of the FCC. Specifically, USAC is responsible for processing the applications for support, confirming eligibility, and reimbursing service providers and eligible schools and libraries for the discounted services. USAC also ensures that the applicants and service providers comply with the E-Rate program rules and procedures established by the FCC.

Additional information about the Schools and Libraries universal support program can be found on the Commission's website at http://www.fcc.gov/encyclopedia/e-rate-schools-libraries-usf-program and on USAC's website at http://www.usac.org/sl/.

Table 4.1 – Schools and Libraries Funding Commitments and Disbursements by Applicant Type and Year (in Thousands of Dollars)

			Funding Disbursements									
	Total			School	Statewide	Other	Total			School	Statewide	Other
Year	Commitments	Libraries 1	Schools	Districts	Contract ²	Consortia	Disbursements	Libraries 1	Schools	Districts	Contract 2	Consortia
1998	\$1,699,049	\$65,988	\$110,701	\$1,288,345	\$0	\$234,015	\$1,398,980	\$49,883	\$83,265	\$1,069,742	\$0	\$196,090
1999	2,147,815	66,165	180,741	1,598,207	0	302,701	1,650,001	47,457	140,129	1,265,894	0	196,521
2000	2,103,163	65,879	110,839	1,716,634	0	209,810	1,646,996	43,566	88,513	1,384,095	0	130,821
2001	2,170,219	57,819	164,553	1,733,357	0	214,490	1,695,693	42,052	117,472	1,400,501	0	135,668
2002	2,108,655	62,925	165,633	1,630,161	0	249,935	1,594,245	42,697	106,195	1,283,179	0	162,174
2003	2,521,703	63,302	199,508	1,997,842	0	261,051	1,937,524	44,467	136,108	1,584,474	0	172,475
2004	2,029,277	54,296	158,614	1,563,146	0	253,221	1,535,259	39,775	107,119	1,208,833	0	179,532
2005	2,007,068	54,498	152,554	1,585,309	0	214,708	1,623,655	48,598	111,851	1,285,365	0	177,840
2006	1,948,039	59,711	129,477	1,498,505	0	260,346	1,566,529	46,138	96,193	1,220,610	0	203,587
2007	2,356,879	60,628	174,759	1,877,911	0	243,582	1,953,343	47,964	135,868	1,561,244	0	208,267
2008	2,373,854	75,771	150,719	1,888,346	0	259,017	1,926,512	58,099	114,132	1,532,846	0	221,436
2009	2,807,096	84,709	195,343	2,262,219	0	264,825	2,332,639	69,197	154,079	1,882,875	0	226,488
2010	2,999,026	91,252	211,169	2,412,662	0	283,942	2,449,225	71,885	156,953	1,980,270	0	240,117
2011	2,665,388	95,122	218,118	2,038,439	0	313,708	2,148,779	73,127	162,119	1,664,603	0	248,930
2012	2,951,340	96,432	288,228	2,266,950	12,130	287,600	2,341,462	77,667	205,779	1,811,404	8,790	237,822
2013	2,199,435	91,579	134,826	1,668,190	20,209	284,631	1,754,011	75,339	97,658	1,342,654	10,809	227,551
2014	2,345,031	93,521	158,981	1,773,237	38,370	280,922	1,844,149	78,992	115,127	1,399,748	27,445	222,838
2015	3,247,813	108,554	181,200	2,605,795	24,848	327,415	2,748,201	90,834	132,419	2,236,085	23,889	264,975
2016	2,783,666	98,649	119,727	2,191,876	0	373,414	2,314,213	83,074	95,106	1,863,753	0	272,280
2017	2,293,734	86,453	113,038	1,784,524	0	309,719	1,868,629	72,853	87,619	1,487,987	0	220,169
2018	2,184,197	81,794	105,716	1,599,297	0	397,389	975,705	37,596	53,402	799,828	0	84,879

Notes: Activity through June 30, 2019. Funding Year 2019 commitment and disbursement information have not been displayed because only a small fraction of commitments (and no disbursements) have been made for that funding year. A substantial amount of commitments and disbursements for funding year 2019 will be made. Also, because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Disbursements may also continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Notes: Table 4.1 is the 2014 version of Table 2.19 of the 2013 Universal Service Fund (USF) Monitoring Report. Funds by service type have not been included in this version but can be found in the Supplementary Material file "SL Funds - by Service Type, State, and Funding Year".

Source: Universal Service Administrative Company

¹ Starting in fund year 2016, Libraries includes both Library and Library System applicants.

Starting January 2011, applicants could designate their consortium as a statewide entity if the application encompassed all public schools, private schools and/or all public libraries in the state. See http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-10-2218A1.pdf. In 2016, applicants filing as a consortium, school district, and library system could designate their sub-type as a statewide entity. These applicant's commitments and disbursements are included within their primary applicant type column and are not included in the Statewide Contract column.

Table 4.2 – Schools and Libraries Funding Commitments and Disbursements from Program Inception through June 30, 2019 by State and Applicant Type

(in Thousands of Dollars)

	Library/Library	y Consortium	Sch	ools	School l	<u>Districts</u>	Statewide	Contracts	Other Co	nsortium	Tot	tals_
State/Territory	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$15,822	\$12,348	\$21,303	\$15,665	\$692,371	\$591,112	\$86	\$1	\$109,242	\$81,652	\$838,825	\$700,777
Alaska	12,696	9,778	5,668	4,408	817,120	668,647	0	0	28,063	21,870	863,547	704,703
American Samoa	0	0	0	0	5,664	2,202	0	0	38,344	31,121	44,008	33,323
Arizona	28,113	28,147	170,656	115,778	1,092,676	814,616	0	0	80,228	19,524	1,371,673	978,064
Arkansas	9,125	7,400	9,385	7,774	317,899	242,575	25,836	17,082	210,499	113,609	572,744	388,440
California	133,872	94,183	331,790	228,363	6,571,537	4,981,901	106	51	353,801	238,348	7,391,106	5,542,847
Colorado	17,971	12,965	24,950	18,056	449,166	348,417	0	0	30,514	22,049	522,601	401,487
Connecticut	8,040	5,493	53,836	38,151	324,291	263,650	0	0	116,340	98,646	502,506	405,940
Delaware	1,387	1,185	4,047	2,826	24,757	21,297	2,246	2,246	27,019	20,655	59,457	48,210
District of Columbia	11,165	7,232	31,838	20,226	188,074	127,125	0	2,240	17,947	8,599	249,025	163,182
Florida	70,310	53,820	184,901	133,520	1,434,828	1,166,538	0	0	117,609	95,983	1,807,648	1,449,861
Georgia	104,498	86,757	41,112	33,011	1,335,691	1,092,185	4,411	4,328	197,645	171,164	1,683,357	1,387,445
Guam	188	59	274	139	30,092	21,804	0	4,528	197,043	0	30,554	22,002
Hawaii	2,760	1,594	61,349	31,215	52,187	37,580	3,128	2,381	1,223	834	120,647	73,605
Idaho	6,295	4,934	9,763	6,293	143,367	107,735	0,126	2,361	1,490	13,933	160,916	132,896
Illinois	47,579	35,535	155,079	114,949	1,917,418	1,481,377	0	0	77,121	55,922	2,197,196	1,687,783
Indiana	78,490	58,782	45,047	32,279	636,034	500,002	0	0	97,009	44,553	856,580	635,616
Indiana Iowa	78,490 5,085	3,422	17,108	12,322	204,466	148,762	0	0	85,233	72,644	311,892	237,150
Kansas	14,639	11,694	11,676	8,391	334,733	266,214	0	0	24,349		385,397	305,917
Kansas Kentucky	23,846	17,485	8,507	5,735	632,501	476,139	0	0	150,992	19,618 112,446	815,846	611,805
Louisiana		·		47,062			0	0				
Maine	79,213 1,641	64,485	65,006	-	877,354	736,232	0	0	34,768	25,965	1,056,341	873,745
	,	1,238	16,347	12,039	71,026	50,633	0		70,727	63,341	159,740	127,251
Maryland	20,139	15,013	33,150	22,116	412,629	317,231		0	34,667	25,628	500,585	379,989
Massachusetts	43,399	30,559	74,269	54,480	552,167	437,782	11	0	56,819	30,030	726,665	552,850
Michigan	45,193	34,537	70,335	47,923	919,521	705,845	0	0	180,406	144,047	1,215,454	932,351
Minnesota	32,947	26,603	52,132	35,383	358,730	277,955	144	0	150,341	130,851	594,151 722.614	470,792
Mississippi Missouri	52,564	30,607	21,030	15,150	534,108	414,005	0	105 0	114,769 225,489	83,410	. , , .	543,278 682,584
	25,680	21,359	51,089	37,704	592,458	469,700	0	0	,	153,821 448	894,716	
Montana Nebraska	1,784	1,244	5,332	3,995	96,283	77,714	0	0	609		104,007	83,400
	5,033	3,847	9,458	7,369	150,160	128,914	0	0	36,475	32,338	201,125	172,467
Nevada	6,132 395	3,524 219	9,728 8,703	6,503	132,008	100,541	0	0	2,079	1.450	148,205	110,568 44,435
New Hampshire				6,130	50,908	36,626	0		,	1,459	62,086	
New Jersey	35,818	25,005	154,632	107,564	1,089,356	805,366		0	20,405	14,189	1,300,212	952,125
New Mexico	7,535	4,589	86,326	60,418	603,384	460,405	0	0	161,854	76,567	859,100	601,978
New York	220,562	158,132	644,169	467,440	2,618,038	2,120,593	0	0	639,222	480,853	4,121,991	3,227,017
North Carolina	37,207	30,464	51,503	39,934	1,156,902	970,670	23,594	22,755	96,301	72,239	1,365,507	1,136,063
North Dakota	206	156	10,192	7,698	31,371	24,097	0	0	47,016	38,902	88,785	70,854
Northern Mariana Isl.	254	180	204	165	20,519	16,774	0	0	0	0	20,978	17,118
Ohio Oklahoma	65,742 48,420	53,612	162,949	117,953	1,307,107 999,052	1,030,921	0	0	96,198	79,457 5,524	1,631,997	1,281,942 868,905
Oklahoma	48,420	38,630 4,700	51,280	36,520		788,231	0	0	14,273	5,524	1,113,024	
Oregon Pannsylvania	7,489	4,790	13,345	9,333	292,544	238,456	0	0	47,769	30,568 158,582	361,147	283,147 1,295,439
Pennsylvania	51,801	42,844	189,464	129,925	1,154,824	964,089	0		192,066		1,588,154	
Puerto Rico	86,285	48,929	108,502	75,350	304,634	207,648	19	0	118,821	59,796	618,242	391,722
Rhode Island	2,338	1,961	10,223	7,494	83,613	65,842		19	50,098	46,462	146,291	121,777
South Carolina	8,540	6,040	28,129	18,772	559,829	435,591	0	0	334,397	289,285	930,894	749,689
South Dakota	629	263	23,470	17,386	51,209	36,820	2,745	2,553	43,286	29,422	121,339	86,445
Tennessee	22,981	16,956	20,649	16,499	995,613	735,031	0	0	238,655	197,504	1,277,898	965,990
Texas	65,375	43,546	197,684	150,402	4,540,027	3,647,711	0	0	315,570	161,434	5,118,657	4,003,093
Utah	2,479	1,246	5,403	3,680	113,087	90,010	0	0	295,040	174,685	416,009	269,622
Vermont	1,105	675	15,799	10,169	41,858	30,907	0	2014	2,589	1,941	61,351	43,691
Virgin Islands	432	229	14,792	11,302	10,665	9,412	3,429	3,044	64,469	58,366	93,787	82,353
Virginia	38,699	30,650	29,164	23,200	674,612	555,196	0	0	15,767	13,762	758,242	622,809
Washington	36,585	29,636	21,673	16,399	500,056	386,890	78	78	99,115	77,482	657,507	510,485
West Virginia	4,790	3,691	3,949	2,352	223,186	162,599	19,735	9,892	66,722	52,772	318,380	231,306
Wisconsin	16,809	12,533	55,115	38,556	438,578	346,842	0	0	182,782	146,758	693,284	544,689
Wyoming	666	458	5,000	3,639	31,584	22,830	9,990	6,395	38,833	29,403	86,074	62,725
Totals	\$1,668,747	\$1,241,262	\$3,508,484	\$2,497,105	\$39,793,872	\$31,265,990	\$95,557	\$70,932	\$5,853,404	\$4,230,461	\$50,920,064	\$39,305,750

Notes: Unlike in Table 4.1, all commitments and disbursements have been shown in this table, including those in funding year through June 30, 2019. Because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Source: Universal Service Administrative Company

Section 5 – Rural Health Care

The Rural Health Care (RHC) Program provides funding to eligible public or non-profit health care providers for broadband and telecommunications services necessary for the provision of health care. The goal of the program is to improve the quality of health care available to patients in rural communities by ensuring that eligible public or non-profit health care providers have access to broadband and telecommunications services. RHC Program support is provided on a funding year basis. Funding years run from July 1 through June 30 of the subsequent year. Beginning in funding year (FY) 2017, funding for the RHC Program is capped at \$571 million and annually adjusted for inflation beginning in FY2018. Prior to FY2017, the RHC Program cap was \$400 million. The RHC Program is administered by the Universal Service Fund (USF) administrator, the Universal Service Administrative Company (USAC), under the direction of the Commission.

The RHC Program provides funding through two programs: the Telecommunications (Telecom) Program and the Healthcare Connect Fund Program. The Telecom Program, established in 1997, ensures that rural health care providers pay no more than their urban counterparts for telecommunications services. Specifically, an applicant's program support is based on the difference between rural rates charged for telecommunications services in the rural areas in a state and the urban rates charged for similar telecommunications services in the same state. The rural health care provider pays only the urban rate for the telecommunications service, and the Universal Service Fund (USF) pays the difference between the urban rate and rural rate for the service to the service provider – in effect, providing a discount to the health care provider in the amount of the "rural-urban differential." The Healthcare Connect Fund Program, established in 2012, provides a flat 65% discount on an array of communications services to both individual rural health care provider and consortia, which can include non-rural health care providers (if the consortium has a majority of rural sites). These services include Internet access, dark fiber, business data, traditional DSL, and private carriage services. Through the Healthcare Connect Fund Program, the Commission seeks to promote the use of broadband services and facilitate the formation of healthcare provider consortia. In doing so, the Commission recognizes the advent of certain communications-based trends in healthcare delivery, such as the move towards electronic health records and the increasing need for rural health care providers to have access to specialists who are often located in urban areas.

In August 2019, the Commission adopted an order that reforms the RHC Program to increase transparency, predictability, and efficiency. The rules adopted by the Order, to take effect in future funding years:

- Target and prioritize funding to rural areas in the most need of health care services.
- Simplify urban and rural rate determinations by, among other things, directing Universal Service Administrative Company (USAC) to create urban and rural rate databases.
- Reform competitive bidding in the RHC Program, making it more productive for health care providers to identify and select cost-effective service offerings in their rural areas.
- Streamline the application process and align procedures between the E-Rate and RHC Programs to ease the burden on participants.
- Strengthen safeguards against waste, fraud, and abuse in the RHC Program.

Additional information about the RHC Program can be found on the Commission's website at http://www.fcc.gov/encyclopedia/rural-health-care and on USAC's website at http://www.usac.org/rhc/.

Table 5.1 – Rural Health Care Funding Commitments and Disbursements by Program and Year (in Thousands of Dollars)

	Telecommunications and							
	Internet Acce	ess Program	Pil		Healthcar	e Connect	Tot	tals
Funding	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
year	Committed	Disbursed	Committed	Disbursed	Committed	Disbursed	Committed	Disbursed
1998	\$ 3,388	\$ 3,369	\$ 0	\$ 0	\$0	\$0	\$ 3,388	\$ 3,369
1999	4,653	4,291	0	0	0	0	4,653	4,291
2000	10,711	10,196	0	0	0	0	10,711	10,196
2001	19,582	18,477	0	0	0	0	19,582	18,477
2002	23,344	21,366	0	0	0	0	23,344	21,366
2003	27,908	25,726	0	0	0	0	27,908	25,726
2004	32,128	30,962	0	0	0	0	32,128	30,962
2005	40,742	39,999	0	0	0	0	40,742	39,999
2006	45,989	45,092	0	0	0	0	45,989	45,092
2007	56,210	54,818	467	467	0	0	56,677	55,285
2008	67,765	66,661	14,734	14,300	0	0	82,499	80,961
2009	72,828	71,439	350,702	281,372	0	0	423,531	352,810
2010	92,053	87,326	0	0	0	0	92,053	87,326
2011	104,360	101,291	0	0	0	0	104,360	101,291
2012	117,236	116,940	0	0	0	0	117,236	116,940
2013	133,412	128,675	0	0	47,713	45,664	181,125	174,339
2014	137,167	135,257	0	0	88,764	88,930	225,931	224,187
2015	184,569	168,544	0	0	103,073	100,602	287,642	269,146
2016	196,295	178,058	0	0	144,137	112,643	340,433	290,702
2017	151,981	132,496	0	0	193,927	141,043	345,908	273,539
2018	35,703	18,546	0	0	197,106	37,801	232,809	56,346

Notes: Activity through June 30, 2019. Funding Year 2019 commitment and disbursement information has not been displayed because by June 30, the data cutoff date for this report, no commitments or disbursements for funding year 2019 were made during that time. However, we anticipate that a substantial amount of commitments and disbursements for funding year 2019 will be made. Also, because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Disbursements may also continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Source: Universal Service Administrative Company data.

Table 5.2 – Rural Health Care Funding Commitments and Disbursements from Program Inception through June 30, 2019 by State Program

(in Thousands of Dollars)

	Telecommuni	ications and		I				
	Internet Acce		Pile	ot	Healthcare	Connect	Tot	als
State	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	Committed	Disbursed	Committed	Disbursed	Committed	Disbursed	Committed	Disbursed
Alabama	\$ 12,920	\$ 9,859	\$ 2,749	\$ 2,746	\$ 6,634	\$ 4,796	\$ 22,303	\$ 17,401
Alaska	834,796	791,106	1,882	209	2,921	1,565	839,598	792,880
American Samoa	1,512	1,419	0	0	0	0	1,512	1,419
Arizona	29,803	28,793	7,506	5,637	9,428	7,246	46,737	41,676
Arkansas	20,946	19,101	4,218	4,132	37,141	23,948	62,304	47,181
California	50,154	47,973	22,903	11,136	70,368	52,789	143,426	111,898
Colorado	4,365	3,931	10,870	10,702	39,127	30,598	54,363	45,231
Connecticut	12	12	0	0	4,445	2,247	4,457	2,259
Delaware	1	1	0	0	701	309	702	309
District of Columbia	18	8	0	0	0	0	18	8
Florida	6,403	5,952	63	63	15,664	11,793	22,130	17,807
Georgia	39,700	37,116	2,233	2,166	18,276	13,725	60,209	53,007
Guam	767	762	89	83	283	198	1,139	1,043
Hawaii	2,435	2,376	4,653	2,100	606	255	7,694	4,731
Idaho	7,635	7,198	0	0	7,316	4,444	14,951	11,643
Illinois	20,034	19,169	21,071	21,070	19,765	13,512	60,870	53,751
Indiana	9,866	7,532	15,458	12,800	37,359	25,943	62,683	46,275
Iowa	7,386	7,059	17,368	17,291	17,878	11,368	42,633	35,718
Kansas	10,426	9,941	0	0	20,468	11,880	30,894	21,821
Kentucky	16,741	15,083	2,945	913	23,407	15,446	43,094	31,442
Louisiana	10,829	10,300	15,570	375	8,193	5,608	34,592	16,284
Maine	596	491	12,957	12,639	9,729	5,717	23,283	18,848
Maryland	285	217	0	0	1,676	1,318	1,961	1,536
Massachusetts	968	948	0	0	4,289	3,270	5,257	4,218
Michigan	22,425	21,178	19,449	19,230	21,526	15,278	63,400	55,687
Minnesota	34,913	33,159	5,714	5,297	13,106	8,524	53,732	46,980
Mississippi	35,776	32,670	2.529	0	11,026	6,491	46,802	39,162
Missouri	20,275	18,755	2,538 15,413	2,193	17,295	11,690 3,101	40,108	32,637 29,421
Montana	11,938 22,934	11,564		14,756	4,358	10,553	31,708 57,601	50,504
Nebraska Nevada	3,103	21,941 3,069	18,010	18,010	16,657 1,508	938	4,611	4,008
New Hampshire	234	224	6,400	6,335	4,836	2,542	11,470	9,101
New Jersey	0	0	0,400	0,333	249	146	249	146
New Mexico	11,659	10,745	11,770	11,029	11,265	8,373	34,694	30,148
New York	2,459	2,220	15,492	14,681	27,136	18,269	45,088	35,169
North Carolina	8,642	8,055	12,169	12,115	31,954	22,167	52,765	42,337
North Dakota	15,157	14,588	912	835	6,645	4,837	22,714	20,260
Northern Mariana Islands	43	21	46	44	0	0	89	65
Ohio	8,678	8,072	27,209	26,478	20,390	12,801	56,278	47,352
Oklahoma	30,569	29,266	0	0	22,887	16,379	53,457	45,645
Oregon	3,870	3,707	18,130	17,129	21,726	17,124	43,725	37,960
Pennsylvania	1,661	1,538	6,793	6,035	18,407	13,712	26,861	21,285
Puerto Rico	0	0	0	0	99	99	99	99
Rhode Island	0	0	0	0	100	13	100	13
South Carolina	4,361	1,811	8,763	8,282	20,069	13,271	33,193	23,364
South Dakota	10,731	10,505	4,585	4,482	7,855	5,352	23,171	20,339
Tennessee	14,942	13,781	6,834	0	9,410	5,832	31,187	19,613
Texas	75,404	64,309	15,250	0	45,237	24,659	135,891	88,968
Utah	9,776	8,948	8,815	8,176	3,143	2,443	21,733	19,567
Vermont	926	874	6,078	6,047	3,957	1,697	10,962	8,618
Virgin Islands	852	846	0	0	0	0	852	846
Virginia	26,522	24,555	2,698	1,965	13,796	9,090	43,016	35,610
Washington	3,147	2,922	118	117	18,659	9,994	21,925	13,033
West Virginia	7,430	5,791	7,070	5,751	5,295	3,646	19,795	15,188
Wisconsin	77,670	74,882	2,312	2,303	38,139	28,078	118,121	105,262
Wyoming	3,327	3,183	797	784	2,315	1,612	6,439	5,579
Totals	\$ 1,558,025	\$ 1,459,528	\$ 365,903	\$ 296,139	\$ 774,720	\$ 526,684	\$ 2,698,648	\$ 2,282,351

Note: Disbursements through June 30, 2019. Unlike in Table 5.1, all commitments and disbursements (if any) have been included, including those in funding year 2019. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: Universal Service Administrative Company data.

Section 6 – Subscribership (Voice and Internet)

Continuing analysis of telephone subscribership statistics allows one to examine the aggregate effects of Commission actions and industry evolution on households' decisions to maintain, acquire or drop telephone service. In addition to telephone subscribership statistics, recent surveys by the Census Bureau now also provide information about the subscribership of high-speed Internet services. Starting in 2016, this section includes telephone and internet expense statistics for lower income households. Starting in 2017, this section includes fixed broadband deployment and subscription information for ILECs. This chapter presents comprehensive data on telephone subscribership and expense statistics and information collected by the Bureau of the Census, the Bureau of Labor Statistics, and the FCC primarily through the American Community Survey (ACS), the Current Population Survey (CPS), the Consumer Expenditures Survey (CE), and FCC Form 477. The chapter also provides national and state-level estimates of high-speed Internet adoption based on the ACS. Along with telephone and high-speed Internet subscribership statistics for the nation and each of the states, data are provided on subscribership for various demographics. For telephone service, particular attention is given to subscribership and expenses for lower income households given the Commission's various low-income programs such as Lifeline.

To provide regular, high-quality data on telephone subscribership, the Commission requested that the Census Bureau include questions on telephone availability as part of its CPS, which monitors demographic trends between decennial censuses. The CPS is a staggered panel survey in which the people residing at particular addresses are included in the survey for four consecutive months in one year and the same four months in the following year. Use of the CPS has several advantages: it is conducted every month by an independent and expert agency, the sample is large, and the questions are consistent. Thus, changes in the results can be compared over time with a reasonable degree of confidence.

In addition to the CPS, the ACS also provides data for calculating a measure of telephone subscribership. The ACS replaced the decennial census long form and thus also provides a wealth of data and large sample sizes, though on a less frequent basis than the CPS. Whereas the CPS reports household subscribership, the ACS follows the design of past decennial censuses and reports telephone subscribership for occupied housing units. In this chapter, subscribership measures from the CPS, the ACS, and decennial censuses (prior to the ACS) are reported as complements to each other. ¹⁰

While the ACS provides telephone subscribership data, the ACS now also provides data for calculating high-speed Internet subscribership. Specifically, the ACS for the first time in 2013 asked whether households have access to the Internet. The ACS asks, "At this house, apartment, or mobile home – do you or any member of this household access the Internet?" Statistics based on 2018 data from the ACS on high-speed Internet subscribership has been incorporated into this report. Since the ACS is conducted throughout the year, a 1-year average is calculated using the data.

is on the high side, with the most probable value lying somewhere in between.

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¹⁰ Subscribership statistics derived from the CPS cannot be directly compared with the subscribership estimates based on the responses to the long forms of the 1990 and 2000 decennial censuses or the ACS. This is due to differences in sampling techniques and survey methodologies as well as differences in the context in which the questions are asked. For example, the 2013 ACS reported 97.7% of all occupied housing units in the United States had telephone service available, whereas the March 2013 CPS data showed a household subscribership of 96.0%. This difference is statistically significant and may indicate that the CPS value is on the low side and the ACS value

The specific questions regarding telephone availability asked in the CPS are: "Does this house, apartment, or mobile home have telephone service from which you can both make and receive calls? Please include cell phones, regular phones, and any other type of telephone." And, if the answer to the first question is "no," this is followed up with: "Is there a telephone elsewhere on which people in this household can be called?" If the answer to the first question is "yes," the household is counted as having a telephone "in unit." If the answer to either the first or second question is "yes," the household is counted as having a telephone "available." In contrast to the CPS, the ACS in 2018 simply asks: "Does this house, apartment, or mobile home have telephone service from which you can both make and receive calls? Include cell phones." Thus, the ACS question is most similar to the CPS's "in unit" subscribership rather than "available".

Although the CPS is conducted every month, not all questions are asked every month. The telephone questions are asked once every four months. The changes in the CPS estimates reflect changes over the preceding four months. Aggregated summaries of the responses are reported to the Commission, based on the surveys conducted through March, July, and November of each year. The ACS provides annual telephone subscribership statistics based on data collected monthly throughout the year.

The CPS data are based on a nationwide sample of about 50 to 60 thousand households in the 50 states and the District of Columbia. The CPS does not cover outlying areas that are not states, such as Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands. The ACS form is sent to approximately 250 thousand addresses per month, for a total of about 3 million addresses per year. The ACS covers the states, the District of Columbia, and Puerto Rico.

The questions and answer categories used to collect ACS data on computer and internet use were revised in 2016. The changes in high-speed internet subscribership may be due to the revised wording and improved measurement, rather than a result of changes in the internet use.

Section 6 also presents broadband subscription and deployment information by ILECs based on their Form 477 and study area boundary submissions. Additionally, carriers participating in modernized Connect America Fund programs must file broadband deployment data with USAC's HUBB (High-Cost Universal Broadband) portal showing where they are building out mass-market, high-speed Internet service. These deployment data have been rolled up by funding mechanism and compared against their deployment obligations.

¹¹ Annual data for Puerto Rico has been available from the ACS starting with 2005. The percentage of occupied housing units with voice service for the last five years of available data are reported in Table 6.6.

Table 6.1 – Household Voice Penetration and Subscribers in the United States, 1983 – 2019

		Voice refletta	Households		Households	Percentage
		Households	with a	Percentage	without a	without
Month	Year	(millions)	Telephone in	with Telephone	Telephone in	Telephone in
			Unit (millions)	in Unit	Unit (millions)	Unit
November	1983	85.8	78.4	91.4	7.4	8.6
November	1984	87.4	79.9	91.4	7.5	8.6
November	1985	88.8	81.6	91.9	7.2	8.1
November	1986	89.9	83.1	92.4	6.8	7.6
November	1987	91.3	84.3	92.3	7.0	7.7
November	1988	92.6	85.7	92.5	6.9	7.5
November	1989	93.9	87.3	93.0	6.6	7.0
November	1990	94.7	88.4	93.3	6.3	6.7
November	1991	95.7	89.4	93.4	6.3	6.6
November	1992	97.0	91.0	93.8	6.0	6.2
November	1993	98.8	93.0	94.2	5.8	5.8
November	1994	99.8	93.7	93.8	6.2	6.2
November	1995	100.4	94.2	93.9	6.2	6.1
November	1996	101.3	95.1	93.9	6.2	6.1
November	1997	102.8	96.5	93.8	6.3	6.2
November	1998	104.1	98.0	94.2	6.1	5.8
November	1999	105.4	99.1	94.1	6.3	5.9
November	2000	106.5	100.2	94.1	6.3	5.9
November	2001	107.7	102.2	94.9	5.5	5.1
November	2002	109.0	104.0	95.3	5.1	4.7
November	2003	113.1	107.1	94.7	6.0	5.3
November	2004	113.8	106.4	93.5	7.4	6.5
November	2005	115.2	107.0	92.9	8.2	7.1
November	2006	116.4	108.8	93.4	7.6	6.6
November	2007	118.2	112.2	94.9	6.0	5.1
November	2008	118.6	112.7	95.0	5.9	5.0
November	2009	119.2	114.0	95.7	5.1	4.3
November	2010	119.4	114.0	95.5	5.4	4.5
March	2011	119.8	114.9	95.9	4.9	4.1
July	2011	119.3	114.1	95.6	5.2	4.4
November	2011	119.7	114.4	95.6	5.3	4.4
March	2012	121.9	117.0	96.0	4.9	4.0
July	2012	121.7	117.0	96.1	4.7	3.9
November	2012	122.0	116.9	95.8	5.1	4.2
March	2013	123.3	118.3	96.0	5.0	4.0
July	2013	123.1	118.3	96.1	4.8	3.9
November	2013	123.7	118.4	95.7	5.3	4.3
March	2014	124.2	119.5	96.3	4.7	3.7
July	2014	123.9	119.0	96.0	4.9	4.0
November	2014	124.8	119.9	96.1	4.9	3.9
March	2015	125.5	121.1	96.5	4.4	3.5
July	2015	125.8	121.7	96.3	4.1	3.5
November	2015	126.1	122.2	96.3	3.9	3.1
March	2016	127.2	122.7	96.5	4.5	3.5
July	2016	127.0	122.4	96.4	4.6 4.7	3.6
November	2016	127.3	122.6	96.3		3.7
March July	2017	127.4	122.6	96.2 96.4	4.8 4.6	3.8
-	2017	127.5	122.9			3.6
November March	2017	127.5	122.1	95.8 96.4	5.4 4.6	3.6
July	2018	128.8	124.2 123.9	96.4 96.0	5.2	3.6 4.0
November	2018 2018	129.1 129.4	123.9	96.0 96.0	5.2	4.0
March	2018	129.4	124.2	96.0	4.9	3.8
	2019	129.9	124.9	96.2 96.2	4.9	3.8
July	2019	129.9	124.9	90.2	4.9	3.0

Source: United States Census Bureau, Current Population Survey

Table 6.2 – Household Voice Penetration by Income, 1997 – 2019 (in 1984 Dollars)

	\$9,999 or	\$10,000 -	\$20,000 -	\$30,000 -	\$40,000 or	All
	Less	\$19,999	\$29,999	\$39,999	Greater	Households
1997	86.0	93.0	96.5	97.6	98.2	94.0
1998	85.7	93.7	96.1	97.4	98.2	94.1
1999	85.5	92.9	96.0	97.2	98.2	94.0
2000	87.5	93.3	96.1	97.3	98.0	94.5
2001	87.6	93.4	95.9	97.1	97.8	94.4
2002	89.1	94.3	96.9	98.1	98.8	95.5
2003	89.2	94.6	97.0	98.1	98.8	95.5
2004	88.0	93.2	95.3	96.7	97.7	94.2
2005	86.4	91.2	94.1	95.2	96.0	92.5
2006	86.3	91.8	94.4	95.4	96.5	92.9
2007	88.4	94.1	95.9	96.8	97.9	94.6
2008	89.7	94.3	96.2	97.4	98.3	95.2
2009	90.4	95.2	96.6	97.3	98.3	95.6
2010	91.9	95.8	96.9	97.7	98.6	96.1
2011	91.5	95.9	96.8	97.8	98.3	95.9
2012	92.0	95.3	96.9	97.8	98.3	95.9
2013	92.6	95.6	97.0	97.2	98.3	96.0
2014	93.1	95.9	96.7	97.9	98.2	96.3
2015	93.2	96.0	97.1	97.7	98.1	96.4
2016	93.2	96.4	97.0	97.6	98.0	96.4
2017	93.1	96.0	96.9	97.5	97.8	96.3
2018	92.9	96.3	97.1	97.5	97.6	96.3
2019	93.1	96.1	96.3	97.1	97.8	96.2

Notes: Income groups classified by 1984 dollars. For a conversion to current-year dollars, consult Table 6.3. Total penetration rates may differ slightly from those in Table 6.1 due to sampling differences between the March CPS and the March CPS Supplement.

Source: U.S. Census Bureau, Current Population Survey (March CPS Supplement).

Table 6.3 – Nominal Dollar Equivalents by Year

1984	\$10,000	\$20,000	\$30,000	\$40,000
1997	15,595	31,190	46,785	62,380
1998	15,809	31,618	47,427	63,236
1999	16,082	32,164	48,246	64,328
2000	16,686	33,372	50,058	66,744
2001	17,173	34,346	51,519	68,692
2002	17,427	34,854	52,281	69,708
2003	17,953	35,906	53,859	71,812
2004	18,265	36,530	54,795	73,060
2005	18,840	37,680	56,520	75,360
2006	19,474	38,948	58,422	77,896
2007	20,015	40,030	60,045	80,060
2008	20,812	41,624	62,436	83,248
2009	20,732	41,464	62,196	82,928
2010	21,212	42,423	63,635	84,846
2011	21,780	43,561	65,341	87,122
2012	22,358	44,716	67,074	89,432
2013	22,687	45,375	68,062	90,750
2014	23,031	46,061	69,092	92,122
2015	23,014	46,027	69,041	92,054
2016	23,210	46,419	69,629	92,839
2017	23,762	47,525	71,287	95,049
2018	24,323	48,646	72,969	97,292
2019	24,776	49,552	74,328	99,104

Note: All numbers based on CPI non-adjusted series, March 1984 base of 102.6

Table 6.4 – Historical Voice Penetration Estimates

	Percentage of Occupied Housing Units with Telephone Service ¹	Percentage of Households with Telephone Service ²
1920	35.0	
1930	40.9	
1940	36.9	
1950	61.8	
1960	78.3	
1970	90.5	
1980	92.9	
1990	94.8	93.3
2000	97.6	94.4
2001	96.9	94.9
2002	96.6	95.3
2003	96.2	95.1
2004	95.7	93.8
2005	94.8	93.1
2006	94.1	93.6
2007	94.6	94.8
2008^{3}	98.2	95.2
2009	97.7	95.7
2010	97.5	95.8
2011	97.4	95.7
2012	97.4	95.9
2013	97.7	95.9
2014	97.6	96.1
2015	97.4	96.3
2016	97.0	96.4
2017	98.5	96.1
2018	98.5	96.1
2019	NA^4	96.2

Housing Unit penetration statistics are from the U.S. Census Bureau's *Historical Statistics of the United States*, *Colonial Times to 1970*, Part 2, page 783 (1920 - 1970); the decennial censuses (1980 - 2000); and the Census Bureau's American Community Survey (ACS) 1-year estimates (2001 - 2018).

⁴ ACS statistics for 2019 are not available.

² Household penetration data (1990 - 2018) are annual averages from the U.S. Census based on the Current Population Survey. For 2019, July CPS data are used.

Errata #53: released April 12, 2010, regarding 2008 ACS 1-year and 2006-2008 ACS 3-year estimates for household kitchen facilities and telephone service. Two errors were found affecting the 2008 ACS 1-year data and the 2006-2008 ACS 3-year data for telephone service. The errors involve the last two items in Question 8 on the housing section of the 2008 ACS questionnaire which asks whether the housing unit has telephone service (including cell phones). The error involved the incorrect capture of the responses to those items. It affected the estimates of householders who reported no telephone service, resulting in an underestimate of "no" responses and an increased imputation rate for both items. At the national level, the percent of households reporting no telephone service in 2008 was 1.8 percent; however, after correcting the data capture error, the percent reporting no telephone service is approximately 2.8 percent.

Table 6.5 – Voice Penetration by Selected Demographic Characteristics (Percentage of Households with Voice Service)

Characteristic	2015	2016	2017	2018	2019
Persons in Household					
1	94.6	94.6	94.1	94.3	94.5
2 - 3	96.9	97.0	96.9	96.7	96.8
4 - 5	97.4	97.3	97.2	97.3	96.8
6+	96.9	96.2	96.0	96.5	97.1
Age of Householder					
15 - 24 Yrs Old	95.5	95.0	95.9	95.9	95.1
25 - 54 Yrs Old	96.2	96.3	96.0	96.1	96.3
55 - 59 Yrs Old	96.9	96.8	95.9	96.4	96.3
60 - 64 Yrs Old	96.7	96.7	96.6	96.3	96.2
65 - 69 Yrs Old	97.1	96.9	96.9	96.5	96.6
70 - 99 Yrs Old	96.2	96.4	95.9	95.9	95.7
Race of Householder					
White	96.8	96.7	96.5	96.5	96.5
Black	94.1	94.7	94.0	94.2	94.7
Hispanic Origin	94.7	94.7	94.4	94.4	94.1
Total United States	96.3	96.4	96.1	96.1	96.2

Notes: that 2015 to 2018 values are annual averages. For 2019, values are July 2019 figures since complete 2019 figures were unavailable at the time of publication.

Source: U.S. Census Bureau, Current Population Survey.

Table 6.6 – Voice Penetration by State, 2013 – 2018

(Percentage of Occupied Housing Units with Voice Service)

	2013	2014	2015	2016	2017	2018
Alabama	97.4	97.4	97.2	96.9	98.4	98.0
Alaska	98.0	98.1	97.3	97.5	98.9	98.7
Arizona	97.3	97.5	97.4	96.4	98.1	98.4
Arkansas	97.2	97.3	96.4	96.3	97.8	98.0
California	98.0	97.9	97.8	97.4	98.8	98.8
Colorado	97.7	97.9	97.9	96.9	98.7	98.6
Connecticut	98.6	98.5	98.5	97.9	98.9	98.9
Delaware	98.1	97.9	98.3	97.4	98.2	99.2
District of Columbia	97.2	97.6	97.2	96.4	97.0	98.8
Florida	97.0	97.1	97.1	96.4	98.3	98.4
Georgia	97.6	97.3	97.3	97.0	98.5	98.5
Hawaii	97.7	97.7	97.7	97.0	98.4	98.2
Idaho	97.1	97.3	97.3	96.4	98.2	98.4
Illinois	97.7	97.3	97.5 97.6	96.9	98.5	98.5
Indiana	97.4	97.5	97.0	97.1	98.2	98.3
Iowa	97.4	97.6	97.5	96.9	98.4	98.7
Kansas	97.4	97.0 97.4	97.3	96.4	98.0	98.5
	97.4	97.4	97.1	97.0	98.2	98.5 98.5
Kentucky Louisiana						
	97.3	97.0	97.2	97.0	98.0	98.2
Maine	97.6	98.1	97.6	97.6	98.5	98.7
Maryland	98.1	97.6	97.7	97.4	98.8	98.7
Massachusetts	98.4	98.2	98.1	98.1	98.9	98.8
Michigan	97.4	97.6	97.4	97.0	98.5	98.4
Minnesota	98.1	97.9	97.3	97.5	98.8	98.7
Mississippi	96.8	97.2	97.0	96.7	98.2	98.2
Missouri	97.6	97.1	97.2	96.9	98.3	98.5
Montana	96.9	97.0	97.0	96.3	97.9	97.5
Nebraska	97.5	97.7	97.3	97.2	98.6	98.5
Nevada	97.9	96.5	97.2	96.5	98.3	98.1
New Hampshire	97.9	98.3	98.3	98.2	98.9	98.9
New Jersey	98.5	98.5	97.8	97.4	99.0	98.9
New Mexico	96.8	97.2	96.6	96.2	97.6	97.8
New York	98.0	97.8	97.9	97.3	98.6	98.4
North Carolina	97.8	97.7	97.6	96.6	98.5	98.6
North Dakota	97.8	98.1	96.9	97.6	98.6	98.5
Ohio	97.2	97.3	97.3	96.7	98.6	98.6
Oklahoma	97.5	97.1	97.0	96.6	98.2	98.2
Oregon	97.6	97.6	97.3	96.7	98.7	98.9
Pennsylvania	98.0	98.2	98.0	97.7	98.5	98.6
Rhode Island	98.3	97.8	98.1	97.5	99.0	98.8
South Carolina	97.7	97.6	97.0	96.1	98.3	98.5
South Dakota	97.5	97.2	96.7	96.4	97.6	97.9
Tennessee	97.6	97.5	97.6	97.1	98.4	98.4
Texas	97.7	97.7	97.4	96.3	98.2	98.4
Utah	97.9	98.0	97.7	97.2	98.4	99.0
Vermont	98.1	98.1	97.9	97.2	98.6	98.0
Virginia	98.2	98.1	97.6	97.5	98.9	98.9
Washington	97.9	97.6	97.5	97.0	99.0	98.7
West Virginia	97.0	96.9	97.3	96.9	97.1	98.4
Wisconsin	97.9	97.7	97.3	97.0	98.4	98.4
Wyoming	98.1	97.9	97.4	97.1	98.9	98.9
Total United States	97.7	97.6	97.4	97.0	98.5	98.5
Puerto Rico			95.5		96.0	
Puerto Rico	93.8	94.3	95.5	96.0	96.0	95.8

Note: 'Total United States' does not include Puerto Rico.

Source: Census Bureau, American Community Survey, Table DP04.

Table 6.7 – Voice Penetration by State, Selected Years (Percentage of Households with a Telephone in Unit)

	1984	1996	2000	2010	2018
Alabama	88.4	92.2	91.9	95.2	96.8
Alaska	86.5	94.4	94.3	97.1	97.9
Arizona	86.9	93.1	93.9	95.2	97.2
Arkansas	86.6	86.9	88.6	93.4	92.3
California	92.5	95.0	95.8	96.4	95.0
Colorado	93.2	95.5	96.3	97.7	97.6
Connecticut	95.5	97.5	96.4	97.9	98.1
Delaware	94.3	96.1	96.3	97.4	98.1
District of Columbia	94.9	93.0	93.2	91.1	97.0
Florida	88.7	93.1	92.1	93.7	92.7
Georgia	86.2	89.7	91.1	93.0	96.3
Hawaii	93.5	94.8	94.7	95.7	95.1
Idaho	90.7	92.9	93.9	97.9	97.7
Illinois	94.2	93.0	91.5	95.2	96.5
Indiana	91.6	93.7	94.5	92.5	96.3
Iowa	96.2	96.6	96.2	97.7	97.9
Kansas	94.3	93.9	94.8	97.5	97.7
Kentucky	88.1	92.3	93.3	95.0	96.9
Louisiana	89.7	91.1	92.6	96.5	96.3
Maine	93.4	96.5	97.9	98.2	98.1
Maryland	95.7	96.7	95.0	96.2	95.8
Massachusetts	95.7 95.9	95.7	93.0	90.2 97.6	93.8 98.6
					98.6 97.1
Michigan Minnesota	92.8 95.8	95.0 97.1	95.0 97.4	96.8 98.5	97.1 97.7
Mississippi	82.4 91.5	87.5	89.2	96.0 96.1	95.4
Missouri Montana	91.3 91.0	95.3 94.3	95.8 94.6	94.9	97.7 96.8
Nebraska Nevada	95.7 90.4	96.0 93.5	97.3 94.0	95.6 96.6	98.9 93.6
New Hampshire New Jersey	94.3 94.8	96.1 93.6	97.7 94.6	98.2 95.9	98.6 93.0
New Mexico	94.8 82.0	86.2	94.0	93.9	90.8
New York	91.8	93.4	91.2 95.1	94.8	93.2
North Carolina	91.8 88.3	93.4	93.1	94.8 95.5	95.2 96.3
		95.3 96.3		93.3 98.5	
North Dakota Ohio	94.6 92.4	96.3	95.8 94.8	96.7	97.8
Ohlo Oklahoma	92.4	94.3	94.8		98.0
				95.7	97.8
Oregon Pennsylvania	90.6	96.0	94.8	97.6	98.2
Rhode Island	94.9	96.9	96.6	98.2	98.2
South Carolina	93.6	95.7	94.9	97.2	95.2
	83.7	91.3	93.2	94.3	96.2
South Dakota	93.2	93.3	94.3	97.8	97.4
Tennessee	88.5	94.0	95.5	92.2	95.5
Texas	88.4	91.0	93.5	95.2	97.0
Utah	92.5	96.7	95.9	96.7	96.8
Vermont	92.3	95.9	95.6	98.1	97.7
Virginia	93.1	94.9	95.4	95.3	97.0
Washington	93.0	94.5	94.9	98.1	98.4
West Virginia	87.7	92.9	94.0	96.2	98.0
Wisconsin	95.2	97.0	94.8	98.3	97.7
Wyoming	89.9	95.0	94.7	97.3	95.3
Total United States	91.6	93.9	94.4	95.8	96.1

Source: U.S. Census Bureau, Current Population Survey.

Table 6.8 – Household Voice Penetration by State and Income, 2019

			han non i			
					\$40,000 or	All
	Less	\$19,999	\$29,999	\$39,999	More	Households
Alabama	96.7	99.1	97.2	97.1	98.8	97.9
Alaska	95.4	95.2	97.2	98.5	98.8	97.2
Arizona	93.0	98.4	98.2	98.5	98.2	97.2
Arkansas	89.1	92.0	91.1	92.1	90.4	90.8
California	88.5	93.2	92.6	95.3	97.7	94.2
Colorado	93.4	95.4	99.2	100.0	98.7	97.7
Connecticut	99.5	95.9	98.0	98.9	97.9	97.9
Delaware	96.7	99.2	100.0	97.5	100.0	99.1
District of Columbia	95.8	94.7	99.1	98.5	99.4	98.0
Florida	89.7	92.6	93.0	94.9	96.1	93.2
Georgia	93.7	97.8	96.3	95.8	96.9	96.1
Hawaii	94.9	96.6	90.7	95.5	95.5	94.8
Idaho	94.3	97.3	100.0	98.7	99.7	98.1
Illinois	94.3	97.0	97.7	98.5	97.7	97.1
Indiana	93.6	96.6	97.6	97.0	95.8	96.1
Iowa	96.5	99.5	99.5	98.7	99.1	98.8
Kansas	97.2	99.4	99.4	100.0	99.7	99.2
Kentucky	91.1	95.4	94.4	92.4	98.4	94.6
Louisiana	92.3	97.4	96.4	96.8	98.5	96.0
Maine	85.2	100.0	98.4	97.9	100.0	96.3
Maryland	99.3	97.7	96.6	99.3	95.8	97.2
Massachusetts	98.2	99.6	98.5	98.6	98.9	98.8
Michigan	93.0	97.6	96.4	100.0	99.0	97.2
Minnesota	96.7	97.0	97.6	100.0	99.7	98.4
Mississippi	90.9	96.1	96.5	95.8	97.2	94.8
Missouri	98.3	98.7	98.7	98.8	98.6	98.6
Montana	93.1	96.9	98.4	98.3	99.8	97.3
Nebraska	93.2	99.1	99.0	96.3	99.6	97.8
Nevada	88.9	96.7	92.1	93.4	98.2	94.5
New Hampshire	94.7	97.9	98.7	98.1	100.0	98.5
New Jersey	82.4	88.9	93.1	93.6	94.6	91.3
New Mexico	89.7	96.3	94.5	98.1	94.0 96.4	94.5
New York			94.3 95.8			
North Carolina	92.7	93.8		94.3	95.5	94.6
	95.6	96.5	95.7	96.8	97.0	96.3
North Dakota	93.4	98.0	99.3	100.0	99.5	98.3
Ohio	94.3	97.8	97.4	98.2	99.1	97.4
Oklahoma	94.6	96.7	98.3	99.1	98.9	97.4
Oregon	96.5	97.0	99.1	96.6	97.9	97.5
Pennsylvania	95.7	97.7	97.5	99.0	99.2	97.9
Rhode Island	92.6	95.4	91.9	98.4	98.9	95.8
South Carolina	90.8	93.5	96.7	96.5	98.3	95.2
South Dakota	91.5	99.3	99.4	99.2	99.1	97.7
Tennessee	97.0	96.5	98.7	98.0	97.0	97.4
Texas	94.2	97.5	98.1	97.6	99.1	97.4
Utah	93.8	94.5	94.3	97.0	95.7	95.2
Vermont	90.6	99.1	99.2	98.0	100.0	97.7
Virginia	93.9	97.4	94.1	98.1	98.2	96.8
Washington	93.9	98.9	98.4	99.1	99.0	98.2
West Virginia	94.6	98.7	98.2	97.8	98.3	97.3
Wisconsin	97.5	98.0	96.8	100.0	99.4	98.3
Wyoming	89.4	94.4	95.8	96.3	95.9	94.5
Total United States	93.1	96.1	96.3	97.1	97.8	96.2

Notes: Income categories use 1984 dollars. For a conversion to current-year dollars, consult Table 6.3.

Source: U.S. Census Bureau, Current Population Survey (March CPS Supplement).

Table 6.9 – Internet Use by Selected Characteristics, 2018

	Percent with high-speed Internet subscription ¹
All Households	85.1
Household Income ²	
Less than \$20,000	62.4
\$20,000 - \$74,999	83.0
\$75,000 or more	95.3
Metropolitan Status ³	
Metropolitan Area	85.7
Nonmetropolitan Area	75.2
Urban / Rural Area ³	
Rural Area	80.8
Urban Area	86.1

All Individuals	88.3
Age ⁴	
Under 18	91.5
18 - 64	90.3
65 +	76.1
Race and Hispanic Origin ⁵	
White alone, non-Hispanic	89.0
Black alone, non-Hispanic	82.2
Asian alone, non-Hispanic	94.3
Hispanic (of any race)	85.6
American Indian	76.0

High-speed service includes all internet service other than dial-up.

Source: Census Bureau, American Community Survey, Table B28004

Source: Census Bureau, American Community Survey, Table B28002

Source: Census Bureau, American Community Survey, Table B28005

Source: Census Bureau, American Community Survey, Tables B28009 (A, B, C, D, and I)

Table 6.10 - High-Speed Internet Penetration for Households by State, $2014 - 2018^1$

	2014	2015	2016	2017	2018
Alabama	65.8	68.3	74.7	78.1	79.3
Alaska	81.4	81.7	85.7	86.1	87.5
Arizona	75.5	78.1	83.1	85.7	86.2
Arkansas	63.5	64.2	70.9	73.0	76.9
California	80.0	81.3	85.4	87.7	88.7
Colorado	81.2	83.0	86.9	88.2	89.4
Connecticut	80.5	82.0	84.1	85.5	87.0
Delaware	75.5	77.4	83.3	86.2	88.4
District of Columbia	73.4	76.8	79.8	82.7	86.1
Florida	75.8	77.5	81.2	83.2	85.2
Georgia	73.4	74.8	80.7	82.7	83.7
Hawaii	80.6	82.2	83.2	84.5	85.7
Idaho	73.6	76.7	79.4	82.5	86.2
Illinois	75.5	76.9	82.0	83.6	85.1
Indiana	71.4	73.3	79.2	81.2	82.8
Iowa	74.2	75.0	79.6	81.8	83.6
Kansas	74.5	76.2	80.3	83.0	84.3
Kentucky	68.9	70.9	77.3	78.9	81.7
Louisiana	66.6	68.7	74.4	75.6	78.1
Maine	74.9	77.1	80.7	82.0	84.0
Maryland	80.1	81.4	85.8	87.7	88.2
Massachusetts	80.5	82.6	85.5	86.8	87.9
Michigan	72.9	74.4	80.5	82.8	84.1
Minnesota	78.3	79.5	83.5	85.9	86.8
Mississippi	59.1	61.0	70.7	73.4	76.3
Missouri	71.6	73.3	79.3	81.3	82.9
Montana	72.9	75.0	78.9	81.3	83.6
Nebraska	74.8	78.1	81.6	84.4	85.7
Nevada	76.3	79.0	80.9	83.4	85.9
New Hampshire	82.1	84.5	86.4	88.4	89.1
New Jersey	80.9	81.6	84.2	86.8	88.0
New Mexico	67.5	67.2	73.7	76.4	76.9
New York	76.5	77.8	81.7	83.4	85.3
North Carolina	72.4	74.1	79.0	81.6	83.5
North Dakota	74.7	76.3	81.4	81.3	80.3
Ohio	73.9	76.1	80.9	83.2	84.5
Oklahoma	69.2	70.1	77.2	79.7	81.9
Oregon	78.9	80.8	84.9	86.8	87.9
Pennsylvania	73.9	75.7	80.5	81.5	84.1
Rhode Island	76.5	78.2	82.8	85.5	85.3
South Carolina	68.1	69.9	77.0	79.2	81.5
South Dakota	71.6	75.3	77.0 79.5	80.6	82.1
Tennessee	68.2	70.2	79.3 76.7	79.4	82.1
Texas	73.0	74.3	80.5	83.3	84.5
Utah	81.7	83.1	85.4	87.8	90.0
Vermont	76.3	78.7	81.1	81.4	82.5
Virginia	77.2	78.7 78.6	83.4	84.8	82.3 85.6
Washington	81.9	83.9	87.4	89.1	90.0
West Virginia	66.2	69.8	74.2	76.0	90.0 79.0
Wisconsin	75.3	76.9	81.3	83.3	79.0 84.4
Wyoming Total United States	76.1	77.8	83.2	83.7	85.7
Total United States	75.1	76.7	81.4	83.5	85.1
Puerto Rico	48.1	51.8	59.3	60.9	62.2

High-speed internet service includes all internet service other than dial-up. Source: Census Bureau, American Community Survey, Table B28002

Table 6.11 – Residential Fixed Connections per Household by Speed Tier as of December 31, 2018 (Households and Subscribers in Thousands)

		At least 200 Kbps in		10 Mbps Download		25 Mbps Download		100 Mbps	
	Households	any direc	-	1 Mbps u		3 Mbps U		10 Mbps U	
		Subscribers	Ratio	Subscribers	Ratio	Subscribers	Ratio	Subscribers	Ratio
Alabama	1,857	1,382	0.74	1,151	0.62	913	0.49	648	0.35
Alaska	253	201	0.79	169	0.67	125	0.50	*	*
American Samoa	10	*	*	*	*	*	*	0	0.00
Arizona	2,482	2,201	0.89	1,873	0.75	1,625	0.65	1,070	0.43
Arkansas	1,147	787	0.69	619	0.54	429	0.37	205	0.18
California	12,888	11,354	0.88	10,414	0.81	9,012	0.70	5,711	0.44
Colorado	2,083	1,938	0.93	1,633	0.78	1,487	0.71	643	0.31
Connecticut	1,362	1,218	0.89	1,137	0.84	947	0.70	625	0.46
Delaware	352	344	0.98	331	0.94	319	0.91	171	0.49
District of Columbia	278	253	0.91	241	0.87	228	0.82	144	0.52
Florida	7,511	7.229	0.96	6,688	0.89	5,724	0.76	4,257	0.57
Georgia	3,663	3,124	0.85	2,756	0.75	2,203	0.60	1,605	0.44
Guam	42	3,124	*	2,730	*	2,203	*	*	*
Hawaii	456	429	0.94	409	0.90	*	*	*	*
Idaho	609	506		349		272	0.45	72	0.12
Illinois	4,818	3,894	0.83	3,503	0.57	273 2,797	0.45	73 2,021	0.12
Indiana	2,537	3,894 1,992	0.81	3,303 1,706	0.73	1,338	0.58	924	0.42
Indiana Iowa	1,252	959	0.78	734	0.67	1,338	0.53	924 269	0.36
Kansas	1,122	939 881	0.77	734 746	0.59	579	0.48	390	0.21
	· ·								
Kentucky	1,725	1,312	0.76	1,083	0.63	831	0.48	599	0.35
Louisiana	1,738	1,301	0.75	1,133	0.65	889	0.51	599	0.34
Maine	554	498	0.90	395	0.71	311	0.56	229	0.41
Maryland	2,181	1,964	0.90	1,881	0.86	1,758	0.81	1,006	0.46
Massachusetts	2,586	2,389	0.92	2,277	0.88	2,196	0.85	1,277	0.49
Michigan	3,889	3,099	0.80	2,767	0.71	2,290	0.59	1,729	0.44
Minnesota	2,153	1,747	0.81	1,444	0.67	1,261	0.59	656	0.30
Mississippi	1,104	713	0.65	562	0.51	367	0.33	170	0.15
Missouri	2,386	1,844	0.77	1,504	0.63	1,199	0.50	882	0.37
Montana	420	342	0.81	264	0.63	216	0.52	*	*
Nebraska	748	590	0.79	496	0.66	404	0.54	304	0.41
Nevada	1,052	949	0.90	867	0.82	740	0.70	590	0.56
New Hampshire	527	502	0.95	448	0.85	413	0.78	204	0.39
New Jersey	3,199	3,017	0.94	2,910	0.91	2,819	0.88	1,986	0.62
New Mexico	770	581	0.75	412	0.54	338	0.44	109	0.14
New York	7,303	6,313	0.86	6,005	0.82	5,623	0.77	4,686	0.64
North Carolina	3,874	3,266	0.84	2,778	0.72	2,460	0.63	198	0.05
North Dakota	312	257	0.83	238	0.76	213	0.68	159	0.51
Northern Mariana Isl.	16	*	*	*	*	*	*	0	0.00
Ohio	4,633	3,717	0.80	3,248	0.70	2,571	0.55	1,779	0.38
Oklahoma	1,469	1,072	0.73	871	0.59	661	0.45	400	0.27
Oregon	1,572	1,348	0.86	1,154	0.73	1,030	0.66	492	0.31
Pennsylvania	5,007	4,130	0.82	3,712	0.74	3,359	0.67	1,828	0.37
Puerto Rico	1,223	483	0.40	239	0.20	160	0.13	*	*
Rhode Island	412	368	0.89	363	0.88	344	0.83	*	*
South Carolina	1,871	1,573	0.84	1,392	0.74	1,096	0.59	813	0.43
South Dakota	339	269	0.79	248	0.73	222	0.65	150	0.44
Tennessee	2,547	1,999	0.78	1,782	0.70	1,458	0.57	1,127	0.44
Texas	9,430	7,805	0.83	7,026	0.75	5,840	0.62	3,642	0.39
Utah	938	860	0.92	728	0.78	632	0.67	268	0.29
Vermont	259	241	0.93	181	0.70	150	0.58	72	0.28
Virgin Islands	43	*	*	*	*	*	*	*	*
Virginia	3,106	2,638	0.85	2,403	0.77	2,217	0.71	1,446	0.47
Washington	2,756	2,485	0.90	2,169	0.79	1,970	0.72	938	0.34
West Virginia	738	541	0.73	422	0.57	341	0.46	173	0.23
Wisconsin	2,329	1,861	0.80	1,589	0.68	1,256	0.54	967	0.42
Wyoming	230	186	0.81	149	0.65	130	0.56	*	*
Total	120,159	101,022	0.84	89,647	0.75	76,761	0.64	51,006	0.42
101111	120,137	101,044	0.04	02,047	0.13	70,701	0.04	21,000	∪.≒∠

Mbps = megabits per second and kbps = kilobits per second. * = Data withheld to maintain firm confidentiality. *Note*: Figures may not sum to totals due to rounding.

Sources: FCC Form 477 (Connections); 2013-2017 ACS 5 - Year Estimates (Households for the fifty states, District of Columbia and Puerto Rico) Census 2010 (Housing Units for Puerto Rico, American Samoa, Guam, Northern Mariana Islands and U.S. Virgin Islands).

Table 6.12 – Telephone Service, Internet Access, Telephone Expenses, and Internet Expenses in Low-Income Households, 2018

Percent of Low-Income Households with Telephone / Internet Services							
Low-Income Group 1 Low-Income Group 2							
Telephone Service	96.6	98.2					
Internet Access 72.5 79.8							

Low-Income Household Expenses for Telephone/Cellular Phone/Internet Services as a Percent of						
	Income After Taxes					
	Low-Income Group 1	Low-Income Group 2				
Telephone Expenses ¹						
All	3.1	3.4				
With Expenses Only	3.6	3.8				
Cellular Phone Expenses						
All	2.5	2.7				
With Expenses Only	2.8	2.9				
Internet Expenses						
All	1.2	1.3				
With Expenses Only	1.7	1.9				

All statistics between group 1 and group 2 are statistically significantly different at a confidence level of 99.9%.

Note: Group 1 contains occupied housing units where the household income is less than or equal to 135% of the 2017 Federal Poverty Guideline for the household. Group 2 contains occupied housing units where household income is greater than 135% of the Federal Poverty Guideline, but less than or equal to 200% of the Federal Poverty Guideline for that Household.

Note: Expenses are calculated for everyone in the income groups (All) and for only those who have telephone or internet expenses in the income groups (With Expenses Only).

Note: The 2016 Lifeline Modernization Order included affordability of voice and broadband service as a component of the program's goals and directed WCB (Wireline Competition Bureau) to measure the extent to which voice and broadband service expenditures exceed two percent of low-income consumers' disposable household income as compared to the next highest income group. Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 4112, para. 408 (2016).

¹ The telephone expenses include residential phone service, VOIP, phone cards, and cellular phone service. *Source*: American Community Survey 2018 Public Use Microdata Sample (PUMS) data for telephone service and internet access and Consumer Expenditure Survey 2018 public-use microdata (PUMD) for telephone and internet expenses and after-tax income.

Table 6.13 – Switched Access Lines and Interconnected VoIP Subscribers for ILECs (in Thousands)

	R	ate-of-Return Carri	Price Cap	Total	
	Total	A-CAM Estimate ¹	Legacy Estimate ¹	Carriers	1 Otal
December 2010	4,635			92,862	97,497
December 2011	4,495			84,932	89,427
December 2012	4,268			77,846	82,114
December 2013	4,123			70,959	75,082
December 2014	3,858			65,566	69,424
December 2015	3,749			59,930	63,679
December 2016	3,697	35%	65%	54,564	58,261
December 2017	3,553	34%	66%	49,473	53,026
December 2018	3,398	31%	69%	43,320	46,718

Notes: ILEC stands for Incumbent Local Exchange Carrier. A-CAM stands for Alternative Connect America Cost Model.

Note: Data from 2014 - 2016 are revisions from 2017 Monitoring Report due to respondents' refiling of Form 477.

Source: FCC Form 477 Submissions.

A-CAM and Legacy Carrier lines are estimated based on data from NECA's Annual USF filing. Legacy carriers include carriers that elected to receive A-CAM II support in 2019.

Table 6.14 – Fixed Connections for ILECs (in Thousands)

Rate-of-Return Carriers	Residential	Business	Total
At Least 4 Mbps			
December 2015	1,355	146	1,500
December 2016	1,599	165	1,764
December 2017	1,813	191	2,004
December 2018	2,073	212	2,284
At Least 10 Mbps			
December 2015	853	90	943
December 2016	1,120	114	1,234
December 2017	1,420	150	1,570
December 2018	1,745	178	1,922
At Least 25 Mbps			
December 2015	264	22	286
December 2016	417	35	452
December 2017	715	61	776
December 2018	1,010	90	1,101

Price Cap Carriers	Residential	Business	Total
At Least 4 Mbps			
December 2015	19,169	1,426	20,595
December 2016	20,692	1,602	22,293
December 2017	22,257	1,760	24,017
December 2018	23,372	1,832	25,204
At Least 10 Mbps			
December 2015	16,430	1,211	17,641
December 2016	17,946	1,388	19,334
December 2017	19,967	1,567	21,534
December 2018	21,450	1,663	23,113
At Least 25 Mbps			
December 2015	7,282	511	7,794
December 2016	8,904	596	9,500
December 2017	12,350	781	13,131
December 2018	14,957	948	15,905

Notes: ILEC stands for Incumbent Local Exchange Carrier. All connections below 25 Mbps have a minimum upstream speed of 1 Mbps. All connections with at least 25 Mbps have a minimum upstream of 3 Mbps. Figures may not sum to totals due to rounding.

Source: FCC Form 477 Submissions.

Table 6.15 – Fixed Deployments for ILECs

(in Thousands)

Rate-of-Return Carriers	# of Deployed Census Blocks	Population in Deployed Census Blocks	Housing Units in Deployed Census Blocks
At Least 4 Mbps			
December 2015	854	9,549	4,463
December 2016	894	9,996	4,685
December 2017	926	10,300	4,833
December 2018	940	10,358	4,853
At Least 10 Mbps			
December 2015	733	8,730	4,057
December 2016	788	9,349	4,363
December 2017	839	9,767	4,573
December 2018	859	9,848	4,620
At Least 25 Mbps			
December 2015	435	5,593	2,594
December 2016	499	6,512	3,035
December 2017	571	7,227	3,379
December 2018	606	7,617	3,557

Price Cap Carriers	# of Deployed Census Blocks	Population in Deployed Census Blocks	Housing Units in Deployed Census Blocks
At Least 4 Mbps			
December 2015	2,990	189,794	79,810
December 2016	3,615	209,928	88,054
December 2017	3,954	228,951	96,385
December 2018	3,931	229,421	96,704
At Least 10 Mbps			
December 2015	2,904	187,939	78,990
December 2016	3,361	200,943	84,327
December 2017	3,791	224,541	94,470
December 2018	3,783	225,864	95,137
At Least 25 Mbps			
December 2015	942	69,608	28,865
December 2016	1,842	144,462	59,386
December 2017	2,167	165,184	68,091
December 2018	2,284	172,972	71,625

Notes: ILEC stands for Incumbent Local Exchange Carrier. All connections below 25 Mbps have a minimum upstream speed of 1 Mbps. All connections of at least 25 Mbps have a minimum upstream of 3 Mbps.

Note: December 2018 data based upon updated Study Area Boundaries.

Source: FCC Form 477 Submissions.

Table 6.16 – Overview of Broadband Deployment by High-Cost Support Mechanism

CAF Phase II	Locations Deployed through End of Year ¹	Required Locations at End of Support Term	Percent Complete
10/1 Mbps +			
December 2016	830,477	3,655,914	22.7%
December 2017	1,923,307	3,655,914	52.6%
December 2018	2,685,265	3,655,914	73.4%

RBE	Locations Deployed through End of Year ¹	Required Locations at End of Support Term	Percent Complete
25/5 Mbps +			
December 2018	38,373	34,849	110.1%
10/1 Mbps			
December 2018	471	1,843	25.6% ²

A-CAM	Locations Deployed through End of Year ¹	Required Locations at End of Support Term	Percent Complete
25/3 Mbps +			
December 2017	105,436	451,059	23.4%
December 2018	143,565	451,059	31.8%
10/1 Mbps ³			
December 2017	122,631	170,491	71.9%
December 2018	132,176	170,491	77.5%
4/1 Mbps ³			
December 2017	45,548	26,868	169.5%
December 2018	47,614	26,868	177.2%

AK Plan	Locations Deployed through End of Year ¹	Required Locations at End of Support Term	Percent Complete
25/3 Mbps +			
December 2017	6,723	48,708	13.8%
December 2018	15,923	48,708	32.7%
10/1 Mbps ³			
December 2017	2,758	10,237	26.9%
December 2018	2,811	10,237	27.5%
4/1 & 6/1 Mbps ³			
December 2017	104	205	50.7%
December 2018	200	205	97.6%

Notes: Numbers included in the table are as carriers characterized speeds within the HUBB. Deployment at higher speeds beyond the required number of locations can be used to satisfy required locations at slower speeds. The term for CAF Phase II is six years and began in 2015. This does not include CAF Phase II - Auction. The term for Rural Broadband Experiments (RBE) is 5 years and began in 2015. The term for A-CAM I is 10 years and began in 2017. Total number of Reasonable Request locations are 65,555; A-CAM Reasonable Request locations are not included in figures. The term for the Alaska Plan is 10 years and began in 2017. Alaska Plan maintained network locations are not included in obligations.

- Prior year's deployment data must be reported by March 1 of the following year.
- Some companies have met their 10/1 required location obligations by deploying 25/3+ to these locations.
- Deployed locations may include speeds between the stated speeds and the higher speeds above.
 - *Source*: Universal Service Administrative Company (USAC) HUBB Open Data (https://opendata.usac.org/High-Cost/High-Cost-Connect-America-Fund-Broadband-Map-CAF-M/r59r-rpip)

Section 7 – Price Indices

This section contains information on telephone price indices using data from the Consumer Price Index (CPI) maintained by the Bureau of Labor Statistics (BLS). The BLS collects information on telephone service as part of the CPI. The monthly price indices represent prices sampled in the middle of the month.

The CPI for telephone services is based on a "market basket" intended to represent the telephone-related expenditures of a typical urban household. It includes both land-line telephone service and wireless telephone service. In January 2010, BLS discontinued collecting four land-line telephone indices, including local charges, long distance charges, interstate toll calls, and intrastate toll calls. These four indices were combined into a single land-line telephone service index, which began in December 2009.

The Producer Price Index (PPI), also published by BLS, continues to release sub-indices for telephone services. We no longer include them in this report because they have become less meaningful as the bundling of telephone services has become more common in the land-line telephone industry. ¹³

¹² BLS publishes two sets of Consumer Price Indices. The CPI-U, used herein, is based on expenditures of all urban consumers. The CPI-W series is based on expenditures of urban wage earners and clerical workers. Monthly CPI data can be found on the Internet at www.bls.gov/cpi/.

¹³ PPI data are available on the BLS website at www.bls.gov/ppi/.

Table 7.1 – Long–Term Changes for Various Price Indices

(Compounded Average Percentage Growth Rate)

	1969 - 2018	2008 - 2018
CPI All Items (SA0)	4.0%	1.6%
CPI All Services (SAS)	4.8%	2.3%
CPI Telephone Services (SEED)	1.4%	-1.0%
CPI Major Categories:		
- Food & Beverages (SAF)	3.9%	1.9%
- Housing (SAH)	4.2%	2.0%
- Apparel (SAA)	1.6%	0.2%
- Transportation (SAT)	3.6%	0.7%
- Medical Care (SAM)	5.7%	2.9%
- Recreation (SAR)	*	0.6%
- Other Goods & Services (SAG)	5.1%	2.5%
CPI Public Transportation (SETG)	4.3%	0.6%
CPI Utility (Piped) Gas Service (SEHF02)	4.7%	-1.8%
CPI Electricity (SEHF01)	4.0%	1.8%
CPI Water & Sewerage Maint. (SEHG01)	5.9%	5.2%
CPI Postage (SEEC01)	4.3%	3.0%

^{*} Series not established until after 1969.

Note: The CPI Telephone Services index was revised in December of 1997. To calculate values in this table, Series MUUR0000SE270A is used for periods prior to this revision and CUUR0000SEED is used for periods after the revision. After each row, the series ID is provided and should be preceded by CUUR0000 when referencing the series.

Note: The Compound Annual Growth Rate is a smoothed rate of growth calculated in three steps. First, divide the ending value by the beginning value. Second, raise the result of that division to a power equal to one divided by the number of years in the period. Finally, subtract 1 from the result of the second step.

Source: Bureau of Labor Statistics.

Table 7.2 – Annual Changes in CPI Telephone Services and all Items Indices

	All Goods and Services	Telephone Services	Land-line Telephone Services	Wireless Telephone Services
BLS Series ID	CUUR0000SA0	CUUR0000SEED	CUUR0000SEED04	CUUR0000SEED03
2000	3.4	-2.3	*	-12.3
2001	1.6	1.3	*	-5.5
2002	2.4	0.2	*	0.3
2003	1.9	-2.7	*	-1.3
2004	3.3	-2.5	*	-1.4
2005	3.4	0.4	*	-1.5
2006	2.5	1.7	*	0.0
2007	4.1	2.1	*	-0.9
2008	0.1	2.9	*	0.5
2009	2.7	1.0	*	-1.1
2010	1.5	-0.9	2.2	-3.6
2011	3.0	-0.3	1.9	-2.3
2012	1.7	0.3	1.9	-0.8
2013	1.5	0.0	3.0	-2.0
2014	0.8	-2.1	1.8	-4.0
2015	0.7	0.7	2.2	0.0
2016	2.1	-2.8	0.9	-4.2
2017	2.1	-6.5	2.2	-10.2
2018	1.9	-2.4	0.0	-3.2

^{*} Series not established until December 2009.

Note: Values report the percent change from December of the previous year through December of the year shown. *Sources*: Bureau of Labor Statistics.

Table 7.3 – Monthly Consumer Price Indices

(December 2009 = 100)

		All Goods and		Land-line	Wireless Telephone
		Services	Telephone Services	Telephone Services	Services
В	LS Series ID	CUUR0000S A0	CUUR0000S EED	CUUR0000S EED04	CUUR0000S EED03
2015	January	108.22	96.82	112.32	87.40
	February	108.69	96.70	112.70	87.08
	March	109.34	96.32	113.10	86.40
	April	109.56	96.22	113.03	86.28
	May	110.12	95.87	113.28	85.71
	June	110.51	95.96	113.48	85.74
	July	110.51	96.18	113.63	85.98
	August	110.36	96.79	113.83	86.74
	September	110.19	97.04	113.94	87.05
	October	110.14	97.20	114.00	87.25
	November	109.90	97.63	113.90	87.87
	December	109.53	97.59	113.86	87.83
2016	January	109.71	97.73	114.60	87.77
	February	109.80	97.13	115.14	86.86
	March	110.27	97.08	114.90	86.88
	April	110.80	97.10	114.88	86.90
	May	111.25	96.69	114.88	86.39
	June	111.62	96.56	114.23	86.42
	July	111.43	96.33	114.02	86.20
	August	111.53	96.42	114.71	86.10
	September	111.80	95.25	113.78	84.92
	October	111.94	94.89	113.78	84.46
	November	111.76	94.84	114.42	84.20
	December	111.80	94.87	114.84	84.12
2017	January	112.45	94.81	115.01	83.98
	February	112.81	94.21	116.45	82.79
	March	112.90	89.55	116.16	77.01
	April	113.23	88.54	116.37	75.68
	May	113.33	88.33	115.70	75.62
	June	113.43	87.84	115.64	75.02
	July	113.35	87.74	116.04	74.78
	August	113.69	87.74	116.17	74.73
	September	114.30	87.89	115.89	75.01
	October	114.22	88.17	115.94	75.35
	November	114.23	88.50	116.53	75.58
	December	114.16	88.67	117.34	75.54
2018	January	114.78	88.56	117.47	75.39
	February	115.30	88.24	117.67	74.98
	March	115.56	88.21	116.73	75.16
	April	116.02	88.19	116.52	75.18
	May	116.50	88.32	116.81	75.26
	June	116.50	88.36	117.12	75.24
	July	116.70	88.48	117.79	75.24
	August	116.76	88.13	117.50	74.90
	September	116.90	88.21	117.94	74.90
	October	117.10	88.03	116.67	74.97
	November	116.71	86.63	117.06	73.29
	December	116.34	86.54	117.32	73.13
2019	January	116.56	86.55	117.87	73.02
	February	117.05	86.52	118.19	72.92
	March	117.71	86.52	118.59	72.83
	April	118.34	86.66	118.71	72.97
	May	118.59	86.72	119.25	72.92
	June	118.61	86.89	119.69	73.01
	July	118.81	86.99	120.45	72.97

Note: Series values for All Goods and Services are converted from the 1982-1984 base index series reported by the Bureau of Labor Statistics (BLS). Series values for Telephone Services and Wireless Telephone Services are converted from the December 1997 base index series reported by BLS. Series are not seasonally adjusted. Series may be referenced via the BLS website with the Series ID 'listed at the top of each column.

Source: Bureau of Labor Statistics.